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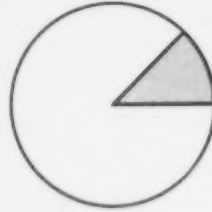
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ABSTRACT

An international team of researchers studied the following aspects of training in Germany's retail sector: structure and characteristics, institutional and social context, employment and labor, changing conditions and their implications for skill requirements, and training and recruitment. Data were collected from an analysis of social and labor/employment statistics, literature review, and case studies of seven retail stores of six companies. Two were located in what was formerly East Germany. All companies had independent internal training departments or company training institutes responsible for planning training at the company level. In all cases, training was planned in consultation with store and district managers. Training strategies were closely linked to company philosophies. In-house management involvement in training design/delivery varied widely. All companies offered some training to all levels of employees; however, most training focused on individuals in jobs demanding higher qualifications. All companies had introductory courses for new employees, and in companies located in former East Germany, all training was introductory in nature. Most training departments were eager to translate new pedagogical approaches to initial vocational training and adult education into practice, and new methods were often tried. Continuing training of sales employees was expanding. (Contains 13 tables/figures and 22 references.) (MN)



GERMANY
REPORT

RETAIL SECTOR



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TASK FORCE - Human Resources, Education, Training and Youth

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RETAIL SECTOR
TRAINING IN THE RETAIL SECTOR
IN GERMANY
REPORT FOR THE FORCE PROGRAMME

drawn up by
Gertrud Kühnlein
Landesinstitut Sozialforschungsstelle Dortmund

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Jean Monnet House, Bundesallee 22, D-10717 Berlin
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Formation continue en Europe
Commission of the European Communities
TASK FORCE
Human Resources, Education, Training and Youth
Rue de la Loi, 200; B-1049 Bruxelles

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The central team was composed of Olivier Bertrand (Cereq, Paris), Oriol Homs (CIREM, Barcelona), Wilfried Kruse (S.F.S., Dortmund), Marisa Méndez-Vigo (CIREM, Barcelona) and Harry Van den Tillaart (ITS, Nijmegen), in close collaboration with Tina Bertzeletou from CEDEFOP, Berlin.

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Those involved were:

Gewerkschaft Handel,
Banken und Versicherungen (HBV)
Herrn Albert Roszai
Tersteegenstr. 30
D-40474 Düsseldorf

Deutsche Angestelltengewerkschaft (DAG)
Herrn Jens Vojta
Karl-Muck-Platz 1
D-20355 Hamburg

Hauptverband des Deutschen Einzelhandels (HDE)
Herrn Wilfried Malcher
Sachsenring 89
D-50677 Köln

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"CONTINUING TRAINING IN RETAIL TRADE" -

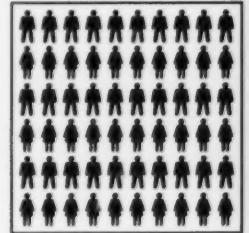
FEDERAL REPUBLIC OF GERMANY

1. Handel, Banken und Versicherungen (HBV) <i>[Union for Trade, Banking and Insurance]</i>	87
2. Deutsche Angestellten-Gewerkschaft Hamburg (DAG) <i>[Trade Union of German Employees]</i>	89
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BIBLIOGRAPHY

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PART 1:



1. National report on the retail trade in the Federal Republic of Germany

Preliminary remarks

- 2. Structure and characteristics of the
retail trade**
- 3. The social and institutional
context**
- 4. Employment**
- 5. Changing conditions and their
implications for qualifications and
vocational training**
- 6. Training and recruitment**

NATIONAL REPORT ON THE RETAIL TRADE IN THE FEDERAL REPUBLIC OF GERMANY

Preliminary remarks

Since 1989/1990 the situation in the German retail trade has substantially been characterized by the effects of German unification. The year 1990, in particular, is generally referred to as a "record year" as far as the development of turnover in retail trade, the earnings (profits) and the volume of investments of West German companies are concerned. This boom, with an increase rate of 8% in real terms, – according to the conclusion of the market report established by the Hauptverband des deutschen Einzelhandel [HDE] (the Central Association of German Retail Traders) – exceeds even the years with the highest sales in the period when the German retail trade was built up after World War II (HDE 1990). The market reports presumably emphasize the particularly favourable earnings position of the retail trade, because in many respects this development runs counter to, or temporarily breaks with a general trend, which had determined the German retail trade over the last decade.¹

So the year 1991 brought a marked reversal of growth rates in turnover, which, according to present estimates, will again amount to approximately 2% (in real terms) and which has thus levelled off at 1989 figures (HDE 1990). The special situation of the year 1990 can be attributed to two extraordinary factors in particular: a tax reform, which meant a noticeable increase in income for many citizens and – above all – the "shopping tourism" of East German citizens who travelled from the former German Democratic Republic. Particularly the regions close to the border (e.g. West Berlin, Franconia, Hessen, Lower Saxony) benefited from this shopping behaviour which concentrated on certain organizational forms (discount shops, self-service department stores, mailorder houses) and on certain areas of retail trade (i.e. motorcars, hardware shops and building suppliers, audio and TV equipment and other electronic products). At the same time, trade in the new Federal states, the former GDR, declined drastically; however, there are no useful figures available for this.

For our report this means that comparative figures for the year 1990 cannot be interpreted as a long-lasting trend, as there are too many distorting factors involved. Therefore we will try to

distinguish the aspect of a trend analysis from the depiction of the real development since 1989.

1.1 Scope and definition of the retail sector

In relevant statistics retail trade in Germany is normally sub-divided into nine areas which are defined according to the range of merchandise:

- food, beverages, tobacco products
- textiles, clothing, shoes, leather ware
- furnishings (not including electrotechnical furnishings, etc.)
- electrotechnical products, musical instruments, etc.
- stationery, printed matter, office machinery
- pharmaceutical, cosmetic and medical products, etc.
- fuel and lubricants (filling stations without agency filling stations)
- vehicles, spare parts and accessories and tyres
- miscellaneous.

The three areas "food, ...", "textiles, ..." and "miscellaneous" represent by far the largest share, as far as the number of companies, the turnover and the number of employees are concerned.² As a rule, these nine areas are listed individually in the statistics so that the figures for the areas "lubricants", etc. (filling stations) and "car accessories" can be calculated for the purpose of our national report on retail trade. In those cases in which no distinction can be made using the statistics available the fields are, however, integrated.

Apart from the distinction according to the range of merchandise, there is also a distinction according to the forms of sale and operation, which is between:

- the stationary retail trade (shop, kiosk, filling station, etc.),
- the mail order houses, as well as
- the travelling trade (markets, vans, etc.).

In our individual case studies we will refer exclusively to "shops". The term "shop" comprises *Kaufhäuser* and *Warenhäuser* (cf. footnote 4), consumer markets and supermarkets as well as specialist and single-line stores. They, however,

¹ cf. annex for the development of sales figures since 1980 (table 1)

² In 1985 alone these three areas accounted for 64.3% of the 339,318 companies in total; in 1985, they accounted for 68% of the overall turnover in retail trade, and 69% of all persons employed work in these three areas mentioned. (cf. Piepenbreier/Kruse, 1990: Beschäftigungs- und Qualifizierungsstrukturen im Handel der Bundesrepublik Deutschland. sfs-Gutachten [expert report]. pp. 3ff. [Structures of Employment and Qualification in Trade in the Federal Republic of Germany])

In 1990, for which only the turnover figures are available for comparison, the degree of concentration was not so marked; here the three strongest areas accounted for only 60.8% of the overall turnover in retail trade. This is, however, as described in the preliminary remarks, obviously very much due to the process of German unification. (for the development of turnover figures in retail trade since 1980 cf. annex, tables 2 and 3)

differ in their offers of merchandise, sales area and forms of service.

2. Structure and characteristics of the retail trade

2.1 Historical development of the german retail trade

The origin and the development of the stationary retail trade are closely linked to the process of industrialization and urbanization in Germany.³ The retail trade experienced its first major growth in the second half of the 19th century. At that time, a variety of small grocery shops was established which sold goods for daily use, as well as single-line shops and specialist shops with a limited range (such as coffee, haberdashery, paint, toys, etc.). At the same time the first "Warenhäuser" (a kind of department store) were founded, at first only focused on the large cities (above all Berlin). In contrast to their French, English and American predecessors, the German "Warenhäuser" addressed broader groups of shoppers from the very beginning, i.e. they did not concentrate on luxury goods. Higher quality goods at higher price levels, in turn, were offered in the smaller "Kaufhäuser", the history of which begins in the 20th century.⁴ Since the turn of the century, an increasing number of retailers have associated to form wholesale cooperatives and consumers' cooperatives. While the former had the objective of purchasing merchandise more cheaply by means of a central purchasing policy, the latter is an association of consumers. They were mainly workers (or unions and churches acting on their behalf) who were trying to reduce their costs of living in this way.

The consumers' cooperatives experienced their first large upswing in the twenties, when they accounted for up to 14% of the overall turnover in the food sector. But later their influence decreased drastically.

Wholesale cooperatives have been in existence to this very day. However, they were exposed to increasingly fierce competition from other

associations and developments. Among these associations were firstly the retail chains offering a certain, limited range and – since the 1920s – the mail-order business, too.

The "Third Reich" exerted a certain influence on the development of the German retail trade, in so far as it tried, for political and ideological reasons, to strengthen medium-sized retailers by declaring larger associations (such as retail chains and consumers' cooperatives), as well as department stores "undesired organizational forms".

During the period following World War II, the modern forms of operation and sale, which still determine today's retail trade, developed in a relatively short period of time. Wholesale cooperatives and retail chains were complemented by voluntary cooperative chains; the non-organized form of retail trade was increasingly forced to retreat. Moreover, the sixties and seventies saw the establishment of large shopping centres with up to 30,000sq. m. of sales area in rural areas. These self-service department stores, discount stores,⁵ specialist stores⁶ and consumer markets⁷ were the start of new extensive organizational forms all based on the self-service principle.

2.2 The development of the german retail trade since World War II

If one considers the history of the (West) German retail trade since the 1950s, three closely-linked lines of development are of special importance: there is a strong process of concentration, self-service and pre-choice have ousted the direct consultation of customers as a form of service⁸ and a change in the current forms of operation and distribution is now visible; here the retail and sales chains have become predominant.

– the concentration of companies has resulted on the one hand from the acquisition of smaller companies by larger ones and on the other hand by the mergers of large-scale companies and

³ We refer here mainly to: L. Berekoven: Geschichte des deutschen Einzelhandels/ Frankfurt/Main, 1987 (2. Auflage) [History of the German Retail Trade, 2nd edition]

⁴ The distinction between "Kaufhäuser" and "Warenhäuser" only applies to their time of origin. What we call "Warenhäuser" today does not differ from the "Kaufhäuser" in the range of goods, but in the size of the store at most. Furthermore, the term "Warenhäuser" is almost exclusively used for the big 4 (Karstadt, Kaufhof, Hertie, Horten). In the following we will refer to "Kaufhäuser" as department stores, and to "Warenhäuser" as the big 4 department stores.

⁵ Discount stores are shops in the food trade that are exclusively organized as self-service shops. The range of goods specializes in low-priced products. Departments offering perishable goods exist in some discount stores, but not in all of them.

⁶ Specialist stores are stores with a large shopping area, in which self-service is the predominant form of sale. The range is almost exclusively limited to non-foodstuffs. The most important are stores for electrical appliances/ consumer electronics, chemists' shops, textile and clothing stores as well as those catering for hobbyists and do-it-yourselfers.

⁷ Consumer markets basically differ from discount stores in that they have a larger sales area and a larger range of goods. As a rule they are situated on the outskirts of towns.

⁸ cf. Part 1, 4.4: Employment, Working Conditions and the Organization of Work in the Retail Trade.

groups. As a result, the share of small and medium-sized companies has been declining since the 1950s.

The degree of concentration is most clearly seen in the share of the individual companies in the turnover: one per cent of approximately 340,000 companies accounted for 55% of the overall turnover in 1985. In 1980 the comparative figure was only 46.4%. This means that, with regard to the amount of sales, smaller companies (i.e. with an annual turnover of less than DM 2 million) had to accept a decline in their market share, while large-scale companies (with an annual turnover of more than DM 250 million) could increase their share in the market by more than 20% over the same period of time.⁹

As far as the number of companies is concerned, the development in the food sector differs from that in the non-food sector. In the sector "food ..." (which has by far the largest share in retail trade because of its volume) the number of companies decreased from 101,841 (1980) to 85,163 (1988); this corresponds to a decline of 16%.

In the non-food sector the situation is different. Here the number of companies increased altogether over the same period of time (1980-1988). Particularly in the fields "miscellaneous", "textiles, ...", "furnishings, ...", but also in the field "electrotechnical products", the number of companies increased to a more or less large extent.

In the whole of the retail trade the number of companies thus increased by 8% between 1980 and 1988.

In 1988 the total number of companies in the German retail trade amounted to 348,558 (without fuels, lubricants, spare parts and tyres).¹⁰

- The change in the forms of operation and sale noticeable over the last few decades, is closely connected with the process of concentration and strategies of rationalization in the retail trade. Here there has been a distinct shift in market shares over the last few decades.

There is a clear movement away from non-organized retail trade towards integrated systems.¹¹ These systems comprise both amalgamations of relatively small, legally independent companies into wholesale cooperatives as well as branches of large-scale companies. There is a

strong tendency towards the establishment of conglomerates, i.e. the integration of retail trade, trade mediation and wholesale trade under the one roof.

An examination of the shift of market shares among the ranges on offer in the retail trade appears particularly informative with regard to our individual case studies.¹² As a consequence of the trend towards self-service shops, there is, above all, a discernible shift of market shares in favour of forms of sale with large sales areas. Thus, the "specialist markets", the "discount stores" and the self-service stores in both the food and non-food sectors have expanded to a particularly high degree. These forms of sale have also experienced a fresh boost in the course of the unification of the two German states.

Small-scale supermarkets, in turn, have suffered losses. It is assumed that shops with a sales area of less than 100 square metres will continue to lose their share of the market.

It is true that "small and medium-sized traditional specialist shops", as well as "small and medium-sized branch outlets" still represent the largest factor in the number of stores in German retail trade; but particularly these "traditional specialist shops" are continuously losing market shares.

The significance in terms of numbers of the four major department stores (Karstadt, Kaufhof, Herie, Herten) has decreased slightly in the last few years. Particularly the specialist markets and the foodstuff shops present the main competition here. Therefore the major department stores have shown the tendency over the last few years to part with the previous policy of offering a range of products including, if possible, everything. The large department stores are now increasingly adapting their range of products to meet the local demand. The groups to which these department stores belong have also made additional efforts to diversify their scope of outlets by strategic acquisitions of specialist stores (for example, fashion, electric appliances, music and leisure goods) as well as chain stores in the food sector.

The mail-order trade has remained relatively stable in the last few years with a share of some 5%. But in this field, too, a marked upswing has been observed in connection with the unification of the two German states.

⁹ Source: Handels- und Gaststättenzählung, Unternehmen des Einzelhandels, Volume 6, No. 1 [Census of the retail trade and restaurants]

¹⁰ Source: ifo-schnelldienst 14/91, p. 12f.

¹¹ cf. annex (table 5)

¹² cf. annex (table 6)

Experts foresee these different developments in the respective organizational forms continuing in a similar way over the next 10 years: there are good prospects for self-service stores, consumer markets, discount stores and specialist markets, while the prospects for department stores and specialist shops are judged to be slightly less favourable.¹³

In the context of the individual case studies, above all of interest are the following ranges and forms of operation: department stores, specialist markets, (textile) specialist shops in the non-food sector, as well as chain stores in the food sector.

The retail trade in the former GDR consisted basically of state-owned retail trade (HO-Handelsorganisationen [trading organization]) and the cooperative retail society. It was the task of the state-owned retail trade to guarantee the supply of urban areas, while the cooperative retail societies largely concentrated on supplying the rural population. In 1988 these two major forms of retail trade had a share in turnover of 39% and 31% respectively. Other forms of socialist retail trade (industrial shops, building material shops, rural trading cooperative societies) had a share of 18.5%. The private retail trade merely accounted for a good 11%. It had thus lost much of its former significance, whereas in the 1950s it had accounted for more than half of the turnover in retail trade in the GDR (ifo-schnelldienst 14/1991).¹⁴

As early as the summer of 1990 the transitional government of the GDR passed a "law on the disentanglement of trade in the communities" which at first did not bring any quick results. However, since the unification of the two German states at the end of 1990, there have been increasing efforts on the part of many West German retail traders, to extend their sphere of influence into the new Federal states, in order to take over existing local businesses there or to open new ones. So as early as spring 1991 all of the 14 former "Centrum-Warenhäuser" (GDR department store chain) were taken over by the largest three West German department store groups (Karstadt, Kaufhof and Hertie).

However, parallel to this, there are also efforts to leave the smaller shops, in particular, under East German management and – if possible – to transfer them back to their previous owners. This applies especially to small shops with sales areas of up to 100sq. m. which are difficult to sell to the major trading companies.

In comparison to the structures in West German retail trade, the ratio between sales area and retail personnel is of special importance: there is by far a larger number of employees (up to twice as many as the West German average) on sales areas which are relatively small by comparison. Therefore, radical measures may be expected over the next few years, which will be aimed at streamlining those stores in which the entire sales personnel was taken on for the time being. These negative effects on employment can – at least partly – be compensated for by the creation of new sales areas in the new Federal states.

3. The social and institutional context

3.1 Legal framework in the retail trade

Business hours: Above all the closing time is stipulated by law: 6.30p.m. from Monday to Wednesday and on Friday, 2p.m. on Saturday, (with the exception of the first Saturday of each month, i.e. 4p.m. in summer, 6p.m. in winter and on the weekends before Christmas). Since the end of 1989 there has also been the possibility of keeping shops open until 8.30p.m. on Thursdays. But by no means do all shops make use of this possibility; moreover, practice has shown that the extended shopping hours on Thursdays are basically only made use of in large shopping centres.

For some forms of sale (such as market stalls, kiosks, shops in railway stations, filling stations, etc.) there are individual regulations on opening hours. These exceptional regulations mainly refer to the closing time in the evenings and to the possible business hours at the weekend.

The regular working hours in the retail trade for full-time employees in the west of Germany is 37.5 hours per week. In the east of Germany it is still 40 hours per week at present.

The most important law in the field of foodstuffs is the "Lebensmittel und Bedarfsgegenstandegesetz" (LMBG) [the law on foodstuffs and commodities] which, for example, stipulates the labelling of goods ("Kennzeichnungspflicht"), the use of preservatives and other additives, the provisions on packing and packaging, the declaration of grades of quality and quality standards.

The official examination of foodstuffs is subject to the authority of the individual states.

For textiles there is a corresponding act concerning the labelling of textiles ("Textilkennzeichnungsgesetz"), which stipulates the labelling of clothes, including an indication of the raw-material content.

¹³ cf. A. Flacke et al, 1991: *Menschengerechte Arbeitsgestaltung im Einzelhandel unter dem Einfluß neuer Technologien*. Dortmund: sfs-Abschlußbericht [Humane Organization of Work in the Retail Trade under the Influence of New Technologies, Final report].

¹⁴ cf. annex (table 7)

In addition, the Federal government and the Federal states promote informing and advising consumers by financially supporting consumers' associations and institutes (e.g. Arbeitsgemeinschaft der Verbraucherverbände [Consumer Associations], Stiftung Warentest [Foundation for the Testing of Goods]).

A lot of product information is given voluntarily. Guidelines drawn up and passed at the suggestion of the Federal government ensure the uniformity of this product information. The compliance with these guidelines is observed by the "Deutsche Gesellschaft für Produktinformation" [German Association for Product Information].

The quality of the products is also tested on a voluntary basis by the awarding of quality stamps ("Gütesiegel") which designate complete fields of goods and services. Each holder of a quality stamp is a quality association ("Gütegemeinschaft"), formed by the cooperation of manufacturers of similar products. For example, for the food sector this is the quality stamp of the Central Marketing Association (CMA): "Markenqualität aus deutschen Ländern" (high quality food produced in Germany). Much the same applies to the determining of DIN standard specifications (DIN = Deutsches Institut für Normung e.V. Berlin).

The manufacturing and sale of working materials, however, is regulated by the State. Working materials are subject to the law on the safety of appliances ("Gerätesicherheitsgesetz") which is to protect the consumer from possible risks of accident.

The labelling of merchandise with price tags is also stipulated by law ("Preisangabenverordnung") which compels the sales personnel in the retail trade to always label the merchandise with their final prices (including value added tax).

Complaints, too, (the right of improvement, the right to return and compensation) are regulated by the German Civil Code ("Bürgerliches Gesetzbuch").

Finally, a very important bill deals with the disposal of the waste arising in the retail trade ("Verpackungsordnung"). This regulation has been in force since June 1991, gradually coming into practice by 1993. The aim of this regulation is to reduce the amount of packaging waste and to avoid superfluous packaging. In this connection it is also planned to compel the retail trade to a larger extent to dispose of the waste which occurs.

Even before the implementation of this law, there was a certain change of attitude within companies with regard to environmental protection and waste disposal. This is also seen in the fact that this topic

is now dealt with in initial and continuing vocational training.

Mergers of companies are subject to the law against restraints of competition ("Gesetz gegen Wettbewerbsbeschränkungen") which stipulates that the Federal Monopolies Commission has to be informed of mergers of companies "if the companies involved had a total turnover of DM 500 million at the end of the previous financial year prior to the merger" (Law Against Restraints of Competition 74, § 23: compulsory registration of the merger of companies). The Federal Monopolies Commission then decides whether to allow this merger or to reject it in order to prevent "the company adopting a market-dominating position".

3.2 The social partners

The social partners on a national level

The most important association of employers in the retail trade is the *Hauptverband des Deutschen Einzelhandels* (HDE) [the Central Association of German Retail Traders]. It represents the economic and socio-political interests of retail trade companies.

Two trade unions in particular are responsible for employees in the retail trade: the trade union HBV (Handel, Banken und Versicherungen) [commerce, banking and insurance] as a union affiliated to the DGB (Federation of German Trade Unions) and the DAG (Deutsche Angestellten-Gewerkschaft) [Trade Union of German Employees]. Furthermore, there is the affiliated DGB trade union NGG (Nahrung, Genuß, Gaststätten) [Foodstuffs, Delicatessen, Restaurants] for certain specialist shops which are counted as trade (bakeries and butchers'). In terms of size, however, the NGG does not play an important role.

Some 30% of all employees in the old Federal states belong to the HBV, the largest trade union in the retail sector. In the East, the number is slightly higher.

For the influence of the German trade unions on the organization of vocational training see below (summary, item 6).

Social relations in the stores

In stores with more than five employees, the employees have the right to elect a *staff committee* who represents their interests and rights within the store. The number of members and the regulations for their exemption from work depend on the number of employees. Each staff committee is elected for a four-year term. The representation of young people (up to 18 years) and of apprentices (up to 25 years) falls within the responsibility of the *Jugend- und Auszubildendenvertretung* (JAV) [representation of apprentices and young

workers]. The members are elected every two years. The JAV has no direct decision-making function within the store. The representatives' tasks are mainly "to apply for measures ... at the staff committee" and to pass on ideas and suggestions to the staff committee which serve their special members, "particularly" in "questions concerning vocational training". Moreover, it has a supervisory function (§70 Industrial Constitution Law).

The Industrial Constitution Law provides for a relatively comprehensive participation of the staff committee in the fields of initial and continuing training within the company: the staff committee has both a consultative function, e.g. in "the creation and equipping of in-house facilities for vocational training", "the introduction of in-house vocational training measures", and "the participation in external vocational training measures" (§97), as well as explicit voting rights within the framework of §98, which stipulates the "implementation of in-house training facilities". This allows, among other things, the staff committee under certain circumstances to oppose the appointment of a person commissioned with in-house vocational training or may demand his/her recall (paragraph 2) and that it may "make proposals concerning the participation of employees or groups of employees of the company in these vocational training measures" (paragraph 3).

Furthermore, the company is obliged "to inform the staff committee fully and in good time about the present and future personnel requirements and about the resulting staffing policies and vocational training measures ..." (§92). Moreover, there is the general obligation of "employer and staff committee" to pursue "the promotion of vocational training" jointly (§96).

Furthermore, the staff committee may conclude internal agreements with the employer, which may be valid only within the store or within the whole company. They function as binding agreements within the company in fields which are not regulated for the whole industry by the collective bargaining agreements concluded by trade unions and the employers' associations. In recent years there has been an increasing tendency,

particularly in large-scale companies, for such internal agreements, to be concluded in the field of in-house vocational training, too.

4. Employment

4.1. Development of the number of employees in the retail trade

At the end of the 1980s the number of employees in the German retail trade was – after a period of stagnation during the first half of the 1980s – 7% up on 1980 figures. In 1990 they rose a further 2.4%.

In 1980 there was a labour force of 2,480,000, in 1990 it amounted to 2,713,000 (old Federal states).¹⁵ The overwhelming majority, approx. 80%) are gainfully employed. This percentage has risen slightly since the mid-1970s (cf. Baethge, Oberbeck, 1992, p. 12).¹⁶

The number of employees subject to social security contributions in the retail trade was 1,725,000 in 1980; in 1989 it amounted to 1,732,000.¹⁷

The increase in employment in the retail trade can mainly be observed in the number of *part-time employees*. The percentage of this type of contract is rising continuously, while the number of full-time employees declined markedly from the beginning to the middle of the 1980s (cf. fo-schnelldienst 1-2/85 p. 13f.), almost reaching the 1980 figure in 1990. Part-time employees now account for more than one third of all employees in the retail trade (33.7% in 1990), as opposed to only 27.3% in 1980.¹⁸

This trend is of special significance for two reasons. Firstly, deeper analyses of this development (from 1980 to 1989) reveal that, despite the nominal increase in the numbers of employed, the volume of work remained almost unchanged in this period of time with a slight increase only recently (Baethge, Oberbeck, 1992, p. 13). In this context, Baethge and Oberbeck make particular reference to the fact that the category of part-time employees does not only comprise the classic half-time jobs, but also those below the level subject to social security contributions;¹⁹ yet particularly in the 1980s the number of these "unsecured

¹⁵ The development of the number of employees more or less reflects the development of the organizational forms: while consumer markets and self-service department stores drastically increased their personnel, i.e. by 50%, department stores shed about 3% of their staff. (source: Bundesamt für Statistik [Federal Statistics Office], Volume 6, Series 3.1, December 1990)

¹⁶ Baethge, M., H. Oberbeck (Eds.), 1992: *Personalentwicklung im Handel. Zwischen Stagnation und neuen Perspektiven*. [The Development of Staff in the Retail Trade. Between Stagnation and New Perspectives] Frankfurt/Main, New York.

¹⁷ Source: Sozialversicherungspflichtig beschäftigte Arbeitnehmer (Einzelhandel) [employees subject to social security contributions (retail trade)] on June 30th, 1989.

¹⁸ cf. annex (table 9)

¹⁹ Those employees who regularly work less than 15 hours per week and whose regular monthly remuneration does not exceed DM 480 (from 1992 onwards: DM 500) are not subject to social security contributions.

employment contracts" increased considerably (Baethge et al, 1989, p. 38).²⁰

Secondly, this development is interesting from a gender-specific viewpoint as the disproportionately large increase in part-time jobs concerns above all female employees: they represent 95% of all part-time employees. (BAG-Nachrichten 9/91)

As an example we can give a breakdown of the number of employees in the different sectors of the retail trade and in the different organizational forms for the year 1988. At the end of 1988 the retail trade employed

in the food sector, etc.	593,100	(27.5%)
in the sector miscellaneous, etc.	481,280	(22.3%)
in the textile sector, etc.	398,000	(18.5%)

The other employees (31.7%) were divided among the other sectors in the retail trade. (Source: Statistisches Jahrbuch 1991, p. 260ff.)

The other organizational forms of shops had the following percentages of employees in 1985:²¹

Type of shop	Number of employees	
the big 4 department stores	156,800	(6.6%)
supermarkets	120,100	(5.1%)
self-service department stores	80,100	(3.4%)
consumer markets	69,200	(2.9%)
department stores	25,800	(1.1%)

Thus, these organizational forms accounted for nearly 20% of all employees in the retail trade.

Broken down by category of the number of employees in the retail sector, the following picture is revealed for 1985:

Category according to no. of employees	Outlets		Employees (in 1000)	
1-2	169,949	(50.08%)	257.5	(10.91%)
3-9	137,921	(40.65%)	648.2	(27.46%)
10-49	28,385	(8.37%)	494.3	(20.94%)
50-499	2,810	(0.83%)	326.7	(13.84%)
500 and more	253	(0.07%)	634.0	(26.86%)
Total:	339,318		2,360.7	

(Source: BAG 1988; internal calculations)

The figures listed verify the *small and medium-sized structure of the retail trade*: 90.73% of all companies employ 1-9 people.

The amount of *part-time employment* varies between the individual sectors of the retail trade. In the most important sectors we find the following percentages:

Retail trade sectors:	Part-time contracts
food, etc.	57.1%
textiles, etc.	45.2%
pharmaceutical products, etc.	40.1%
miscellaneous	34.6%

(Source: Statistisches Jahrbuch 1991)

4.2 Structure of employment

In 1988 the *percentage of female employees* in the retail trade amounted to 67.1% (the percentage of female employees in the overall economy, by comparison, amounts to approx. 40%). This percentage has only increased slightly since 1980 (then it amounted to 66.1%). The percentages in the individual sectors, however, vary. We find the highest percentage in the sector textiles, etc., with 78.42% with the sector food, etc., ranking second (71.55%). The sector electrotechnical products shows the lowest percentage with 33.07% (all figures refer to the year 1987).²²

As outlined above, the percentage of women in part-time employment is particularly high.

The *amount of foreigners* in the overall number of employees in the retail trade who are subject to social security contributions amounted to 3.4% in 1988 (by comparison, in the overall economy this percentage amounts to 7.6%).

²⁰ Baethge, M. et al 1989: Strukturwandel, Qualifikationsentwicklung, Weiterbildungserfordernisse und -strategien im Groß- und Einzelhandel [Structural Changes, Development of Qualification, Requirements and Strategies for Continuing Training in the Wholesale and Retail Trade]. German contribution to the OECD/CERI-Project: "Technological Change and Human Resources. Development in the Service Sector." Göttingen (unpublished manuscript).

²¹ The figures are based on the results of the "Census of the Retail Trade and Restaurants 1979 and 1985" (taken from Bundesarbeitsgemeinschaft der Mittel- und Großbetriebe des Einzelhandels (BAG) [Federal Association of Medium-Sized and Large Retail Companies], 1988). More recent figures are not available.

²² Source: Work census of May 25th, 1987, Volume 2, No. 3.

Whereas the majority of German employees are white-collar workers (79.6%), the corresponding percentage among foreigners only amounts to 53%.

Among *manual workers* 57.7% of the Germans are without any professional qualification, while among foreign workers this figure is 73.8%.²³

Such figures are not available for white-collar workers. But it may be assumed that a relatively large number of shop assistants do not possess any professional qualification or only a qualification which is unrelated to the profession they work in. Thus a survey carried out by the BIBB/IAB in 1985 comes to the conclusion that nearly a quarter of all the employees in the retail trade worked without any vocational training and a further 20% have completed a non-commercial course of professional training, i.e. they have completed a course which is unrelated to the profession they work in.²⁴

The following *age structure* may be found among the employees in the retail trade: in 1988 42.8% of all employees were under 30, 20.1% were between 30 and 40 and 37.1% were over 40.²⁵ Particularly with regard to women it is striking that – as compared to the economy as a whole – the number of employees under 25 is with 29.5% clearly above the corresponding comparative figure (25%). Also with regard to the employees aged between 45 and 50 there is a slightly higher percentage (12.6% compared to 11.3%).

Sales (with or without relevant vocational qualifications) accounts for the largest number of employees in the retail trade; second and third place come qualified office staff and stores supervisors. However, in the food sector it is the cashiers who rank second.²⁶

The retail professions are also those which are likely to continue to expand, whereas there will partially be a sharp reduction in administration, storekeeping and in accounting (e.g. in supermarkets in the food sector).

4.3 Qualifications and requirements in the german retail trade

From the point of view of continuing training, the marked "*polarization of qualification requirements*" in the retail sector is particularly striking (Baethge et al, 1989, p. 55): in sales forms which are predominantly based on the

principle of *self-service*, the demands made of the relatively small number of sales personnel are likely to concentrate on ensuring the merchandise is displayed and on keeping the shop tidy.

A differentiated development may be expected for the *specialist markets*, as this sales form additionally contains elements of service-oriented sales. Therefore, some very remarkable demands will be made of the sales personnel; these comprise knowledge of the merchandise as well as socio-communicative skills. Additionally, the typical requirements of self-service sales forms, with regard to ensuring the presence of the merchandise and tidiness in the shop, remain especially important.

In the service-oriented sales forms, particularly in the *specialized retail trade* for special requirements, but also in department stores, it is obvious that the customer exerts increasingly high demands on the merchandise knowledge and on the socio-communicative skills of the sales personnel. Companies are increasingly responding to these customer demands and attempting to integrate them into their staff policy. As a consequence, the qualification requirements on the employees in these sales forms are rising considerably.

On the whole, the retail trade has rather been proceeding from a *tendency towards higher qualifications* of the personnel. The amendments to the curricula in these professions also take this development into account (cf. summary, item 6 for more detailed description).

The most important courses of *vocational training in the retail sector* are: "Kaufmann/Kauffrau im Einzelhandel" [retail salespeople] (three years, amended in 1987) and "Verkäufer/in" [shop assistant] (two years of training), as well as "Fachverkäufer im Lebensmittelhandwerk" [skilled shop assistants in the food sector] (three years, amended in 1985) in bakeries and butchers' – food sectors counting as trade.

In everyday working life, however, there are often no clear distinctions between the ordinary sales staff and the qualified sales assistants in these professions. On the contrary, investigations into the work and requirements have shown that in the daily work routine the borders between "ordinary retail activities" (e.g. selling, taking the payments)

²³ Source: Bundesanstalt für Arbeit [Federal Institute for Employment]. Department of Statistics: Employees subject to social security contributions by trade sector as of 30. 6. 1988; internal calculations.

²⁴ Quoted from BIBB: Die zweijährige Ausbildung im Einzelhandel. Entscheidungshilfen des Bundesinstitutes für Berufsbildung zur Dauer der Berufsausbildung im Einzelhandel. Berlin 1988, p. 28.

²⁵ Source: Sozialversicherungspflichtige Beschäftigte Arbeitnehmer am 30. 06. 1990. p. 27. [Employees subject to social security contributions on June 30th, 1990], p. 27 [internal calculations]

²⁶ Source: Figures published by the Institut für Arbeitsmarkt- und Berufsforschung (IAB) [Research Institute for the Labour Market and Employment] quoted in: Baethge et al, 1989, pp. 56 and 57

and the qualified activities (e.g. advising customers, sales preparations, organization, planning) are often blurred.²⁷

It is interesting to note that this affects above all the female employees who – despite their existing professional qualification – are often employed to carry out simple tasks. In contrast, according to the results of this study, the male retail sales assistants are assigned fields of activity involving more responsibility. They are also more often found holding higher positions. With regard to the appointment of a managerial position, that of senior executives in particular, there is a clear discrimination against women, who, in turn, are clearly in the majority with regard to the ordinary retail professions.²⁸

The almost complete absence of women in senior executive positions within the retail sector is explained, above all, by their comparatively low mobility. Women are less able or less willing to move from one place of work to another, which is one of the most important prerequisites for promotion to executive positions.

4.4 Working conditions and the organization of work in the retail trade

As far as the forms of sale are concerned, from as early as the 1950s there has been a continuous trend towards self-service. However, this trend has developed to varying degrees among the individual sectors. Of greatest importance here seems to be the reference to the simultaneous "process of polarization", the division into "problematic" merchandise demanding intensive advisory sales activities, and "self-selling" merchandise, which can be sold without additional advisory services to the customer. This is because it also implies a polarization of the demands on the sales personnel.²⁹

As for the working conditions, the unfavourable distribution of working hours is regarded as the largest problem; it is also regarded as the decisive reason as to why work places and training places within the retail trade are considered unattractive. This is particularly true of the sales professions. Here, working hours are orientated towards business hours and to the number of customers.

The result for full-time employees is often a daily absence of 10–12 hours away from home. This often represents an insurmountable problem for women who have to combine a family and a career. This is one of the main reasons why many women prefer part-time jobs.

According to experts, the trend towards part-time work will continue over the next few years (Flacke et al, 1991, p. 17ff.). This also holds true for the part-time jobs which are not subject to social security contributions. An estimate in 1989 established approximately 280,000 employment contracts of that kind in the trade;³⁰ this would mean that approximately 8% of all the employees in the sector (i.e. retail and wholesale trade) were not subject to social security contributions. However, in the retail trade the percentage may well be higher.

On the whole, in the course of the last few decades a marked increase in capacity-orientated, flexible employment could be observed. This is largely due to the changes in technological facilities which allow a more consistent planning of manpower requirements.³¹ But a further increase in such employment may not be automatically assumed, as an increasing sensitization is emerging here. The demotivating effect these working hours have on the employee, coupled with the risk that the organizational achievements in the sales area can no longer be guaranteed if the majority of employees work part-time or are temporary staff, are arguments against flexible working hours and, above all, against the system of "work on call".

One characteristic of the retail trade, particularly in large-scale outlets, is a strong hierarchy in the fields of activity and the work content, which hardly ever allows the assignment of qualified personnel without executive tasks. There is a relatively strict assignment of simple, operative, and planning and/or interactive tasks, allowing room for decision, to the individual groups of employees.³² The way these fields of activity are individually assigned to the respective employee is different according to the organizational form and the size of the company.

²⁷ In the following we refer to a BIBB analysis on the requirements for the daily working activities of the shop assistant and retail salesperson.

BIBB, 1988: Die zweijährige Ausbildung im Einzelhandel. Entscheidungshilfen des Bundesinstitutes für Berufsbildung zur Dauer der Berufsausbildung im Einzelhandel. Berlin. p. 15ff. and p. 29ff.

²⁸ Figures for the whole sector are not available.

²⁹ cf. B. Tenbenschel, 1984: Arbeit, Qualifikation und Kontrolle im Einzelhandel [Employment, Qualification and Checks in the Retail Sector]. Berlin.

³⁰ W. Friederich, 1989: Sozialversicherungsfreie Beschäftigung. Schriftenreihe des BMA, Band 181, Bonn. [Employment not subject to social security contributions. BMA publication, volume 181, Bonn].

³¹ The practical importance and the degree of realization of flexible working hours vary in size throughout the individual sectors. According to a recent study by the Deutsche Handelsinstitut, it is particularly high in textile stores. cf. annex (table 10).

³² cf. Flacke et al, 1991, p. 31ff.

In the last few years there has been the attempt to introduce group work in some stores within the retail trade.

On the whole, it is rather the case that a *stronger differentiation between the work tasks* is prevailing. Furthermore, in certain areas, above all large-scale sales forms, such as consumer markets, are externalizing certain tasks – particularly in the operative sector – i.e. passing them on to outside companies. This applies, for instance, to the presentation of goods (arrangement of shelves, shop design, procuring of goods), which means a further possible rationalization of the staff. Furthermore the fields of activity of those employed in the sales department tend to change such that they increasingly concentrate on their actual sales activity and the customer advisory service (Flacke et al, p. 18f.).

5. Changing conditions and their implications for qualifications and vocational training

The use of new technologies in the retail trade is, in comparison to other industrial sectors, not very widespread.³³ The most significant development is in the field of *computer-aided merchandise information systems (MIS)*. Their degree of penetration, however, is still varying; since as yet it is large companies above all which make use of this technological development. The food sector is the pioneer here, as the standard range of articles means there are hardly any problems in gathering the master data.

Data concerning the penetration of MIS across the whole sector are not available yet. But it may be assumed that much progress has been made over the last few years in particular. Experts have stated in a relevant survey that at present as many as three thirds of all large-scale companies (with more than 500 employees) make use of these and there is a definite upward trend (cf. Flacke et al, 1991, p. 33f.).

The regular data supplied by the *Zentrale für Coorganisation* as to the number of scanners installed in the Federal Republic of Germany gives us at least some indication of the speed at which the number of users within the retail trade is increasing: while at the beginning of the 1980s less than 20 shops were equipped with this technology, the number increased to nearly 4,000 by the middle of 1990. The trendsetter in the use of this technology has always been the food sector, followed by large organizational forms, such as consumer markets and department stores. Divided into the individual areas, the textile sector ranks second to the food sector. The specialist markets, above all the hardware and

chemist's shops, have been catching up lately. (Source: Coorganisation 3/1990, p. 14ff.)

The introduction of merchandise information systems facilitates the overview of the flow of goods and improves the procurement of merchandise as well as allowing quicker and more effective sales. Furthermore, it facilitates a *more consistent, data-based planning of the assignment of personnel* allowing an even more flexible assignment of personnel orientated towards customer frequency.

With regard to the *introduction of a new, cashless system of payment* ("electronic cash") there was a "breakthrough" in 1990 (HDE annual report) whereas the pace of penetration had been relatively slow up to then. Now that the large-scale retailers, above all, have begun to accept credit cards to an increasing extent and some also offer their own store cards, the cashless system of payment (payment by cheque or credit card) is increasingly being accepted.

Reference should be made to another change, that of a "change of values", a *change in the purchasing behaviour of consumers*, whose leisure time and its structuring is constantly increasing in status. In the last few years numerous companies have adapted their sales strategies to this development and tried to win new customers by elevating the shopping process to the rank of a "leisure activity". One noticeable effect of this strategy is the integration of leisure facilities into shopping centres. This also implies new demands on those employed in retail. Customer-orientated services and customer advisory services also gain importance. Therefore skills in social communication and knowledge about the merchandise play an increasing role in staff training courses.

Finally reference needs to be made to the *demographic development* in Germany, which plays an important role in companies' recruiting of new employees and apprentices. Whereas from the mid-1970s to the mid-1980s the number of young people looking for a training vacancy after leaving school rose to the all-time high of 664,662 (1985), the number of applicants has been falling ever since (1990: 464,986 applicants, source: Report On Vocational Training 1991, p. 19). Since 1989/90, for the first time in many years, a situation has been observed in Germany in which there are more training places than applicants. This has created a bottleneck in the recruitment of a sufficient number of apprentices, particularly in the sales professions in the retail trade. In the period between 1989 and 1990 alone, the

³³ In 1989 only 43% of the shop assistants and 53% of the retail salespeople used data processing at their place of work. By comparison, the corresponding average for all employees in Germany at that time amounted to 62%. (cf. *Berufsbildungsbericht* [report on vocational training] 1991, p. 70f.)

number of new apprenticeships fell by approx. 20% (skilled shop assistants in the food sector - 23.1%; retail salespeople: -19.8%; shop assistant -16.8%. Source: Report On Vocational Training, 1991, p. 19).³⁴

In the east of the Federal Republic, in turn, it has been highly difficult to find a sufficient number of in-house training places for young people, and/or to create new ones with State support. Relevant corresponding figures for the retail trade are not yet available. A preliminary survey on the number of "concluded apprenticeships in 1990" shows, however, that of the three sales professions that of a retail salesperson was by far the most strongly represented (Source: Deutscher Bundestag, 12th term of office, Official publication 12/879 of June 28th, 1991, p. 5).

6. Training and recruitment

6.1 Organizational prerequisites for educational and vocational qualification in Germany

To be able to classify training strategies in the retail trade, we will first describe the most important cornerstones of the German school and vocational training system.³⁵

The German educational system is basically a three-tier system, i.e. there are - to put it in a simplified way - three different types of school: the Hauptschule [comparable to an ordinary secondary school] (9 or 10 years of compulsory education; depending on the relevant Federal state), the Realschule [comparable to a secondary modern school] (10 years) and the Gymnasium (grammar school) or the senior classes of a comprehensive school (13 years of school altogether).

The school-leaving certificate of the Realschule (comparable to the O-level) and a certain type of Hauptschule school-leaving certificate pave the way to certain vocational and educational advanced schools, as well as to technical colleges. The Abitur (comparable to the A-level; the school-leaving certificate at a Gymnasium) allows direct entry to university.

The completion of qualifying vocational training has become one of the minimum requirements for the entry into professional life in the last decades. Nearly all young people aim at some form of vocational training at school, at university or within the companies; the percentage of those who have no vocational qualification at all has fallen below 10%. Nowadays approximately two thirds of each age-group learn their profession in a company.

The access to apprenticeships in companies is, in principle, regulated in such a way that even those leaving a Hauptschule may take up any course of vocational training. In practice, however, the more attractive apprenticeships are increasingly being taken by those finishing Realschule and Gymnasium.

This is due above all to the fact that the general level of education of school-leavers has increased enormously over the last 20 years. This has led to a kind of destructive competition which greatly impaired the chances of those leaving Hauptschule. Whereas previously it was nearly all Hauptschule graduates who completed their vocational training, this group now only represents 40% of all apprentices in the Dual System. Realschule or Gymnasium graduates occupy the majority of training places in companies. Moreover, a large number of those who have taken their Abitur opt for a combination of vocational training together with studies at university, which gives them good chances of being promoted to executive positions one day. Over the last few years many companies have developed a special training package for this group of students.

6.2 Legal provisions on vocational training

Since 1969 vocational training has been regulated by the *Berufsbildungsgesetz (BBiG)* (the Vocational Training Law). Among other things, this act stipulates the basic requirements for vocational training, continuing vocational training and retraining.

It is the task of vocational training to give a wide range of basic vocational training and to enable the apprentice to acquire work experience. It is also to give the apprentice the skills and the knowledge necessary to carry out a qualified job. Continuing training is to maintain these skills and knowledge, to broaden them or to adapt them to technological developments. Furthermore, it is to help promotion in the job. Thus it comprises both training for the sake of adaption and for the sake of promotion.

Vocational training in Germany is characterized by in-house vocational training (at the place of work, in training facilities and training offices within the company and - additionally - in external training facilities throughout the whole country) on the one hand, together with attendance at technical colleges on the other hand ("Dual System"). There are uniform curricula for the whole of Germany, while the curricula for the technical colleges are drawn up by each Federal state individually.

³⁴ This trend also continued in 1991: on the whole, the number of new apprenticeships in the sales professions continued to decrease. Only the profession of a retail salesperson rose by 3.1%.

³⁵ cf. annex (table 11)

Since the Vocational Training Law was passed in 1969, there are prescribed *curricula* for all professions. The curricula stipulate for each profession what subject matter must be taught in the companies and over what period of time. Private contracts on training places, however, may be structured at will – within the framework of the act. The implementation and the control of vocational training in the companies is transferred to “competent authorities”, i.e. the self-governing organs within the economy (for instance, the chambers of commerce and industry, the trade corporations). The curricula for the individual professions are passed by the Federal Minister of Education and Science. The preparatory work for the curricula is carried out by the Bundesinstitut für Berufsbildung (BIBB) [Federal Institute for Vocational Training].

The BIBB consists of an equal number of representatives of employers and employees (trade unions), as well as the representative of the Federal states and the Federal government. The BIBB examines at regular intervals whether the current curricula still correspond to reality and to modern job requirements; most professions have been redefined in recent years.³⁶

In contrast to initial training, continuing vocational training is only regulated to a certain extent in Germany. Only the continuing training and retraining measures which lead to a final examination are included in the Vocational Training Law (§ 46 and § 47).

The most important part of continuing training, in-house continuing training (which accounts for more than half of all training activities), in turn, is largely outside State control. Here the curricula on vocational training only comprise that part of in-house training which leads to a recognized profession with a certificate (e.g. master, commercial assistant, etc.).

Incidentally, it is the companies' sole responsibility to decide on the training on offer, the criteria used to select which employees may participate in the continuing training and on the relevance of these training measures for their future career in the company.³⁷

In so far as companies regard training measures for employees necessary in order to meet the demands of the job, it is general practice that training is largely or completely financed by the company and that it is acknowledged as working time. The costs companies incur for training are hard to calculate as there is no valid basis for calculation. According to the Institut der deutschen Wirtschaft (IW) [German Institute for the Economy], in 1987 alone, more than DM 26 billion were spent in industry on in-house continuing training. Other scientists, however, dismiss this figure as totally exaggerated.³⁸ It does serve to illustrate, however, the great importance companies attach to the qualification of their staff; nearly all companies, i.e. 92%, state in the IW study mentioned above that they carry out or offer training courses.³⁹

With regard to the participation of the different professional groups in continuing training courses, the following trends should be noted:

- On the whole, the significance of continuing training has increased at a tremendous pace: in 1988, 18% of all Germans participated in some form of training – twice as many employees as in 1979, almost 10 years before.⁴⁰

- Executives and academics account for a disproportionately large percentage in in-house training. Qualified white-collar workers participate more frequently in training courses than skilled workers, the lowest degree of participation can be found among the unskilled and semi-skilled groups (the percentage of “ordinary workers” participating in continuing training measures amounted to approx. 6% in 1988). The gap between the individual professional groups has increased rather than decreased.

- The participation of women in training courses is lower than that of men. This concerns, above all, training courses which are relevant to promotion, i.e. those courses and seminars lasting several days or weeks.

³⁶ The most important reforms in the retail trade concerned the following professions:

Skilled shop assistants in the food sector (1985) and retail salesperson (1987), white-collar professions (1991). The profession of a shop assistant is to be abolished soon (a definite date has yet to be fixed). In its place there is to be another occupation involving a three-year training period in sales: retail salesperson in merchandise.

³⁷ cf. Kühnlein G./Paul-Kohlhoff A., 1991: *Bildungschancen im Betrieb. Untersuchungen zur betrieblichen Weiterbildung in der chemischen Industrie* [In-house Training Opportunities. An Investigation into In-house Training in the Chemicals Industry] Berlin.

³⁸ cf. Kühnlein G./Paul-Kohlhoff A., 1991, p. 11 ff. for more details.

³⁹ R. Weiß. Die 26-Mrd-Investition – Kosten und Strukturen betrieblicher Weiterbildung [The 26 billion investment: costs and structures of in-house training]. In: *Reports on Training Policies in 1990 of the Institut der deutschen Wirtschaft*. Cologne 1990.

⁴⁰ Source: Kuwan, H.: *Berichtssystem Weiterbildung* [System of Reports on Continuing Training] 1989, Bonn 1990. p. 11.

6.3 Occupations requiring training in the German retail trade

In the retail trade, the most important occupations requiring training in the field of sales are those of a retail salesperson and of a shop assistant, and – for the sector counted as trade – the profession of a skilled shop assistant in the food sector. Furthermore, there are the professions which are specific to certain sectors, such as a chemist or a florist, which are hardly significant in terms of numbers.

In office and administration, the most important requiring training is that of a clerk.

Because of their special significance, we will concentrate in the following on the sales professions of a shop assistant and of a retail salesperson. The two-year training to become a shop assistant has been in existence since 1968; after the successful completion of this training, it is possible to become a retail salesperson after one further year of training. In 1987 the training for this occupation was revised and since then there is the independent training of three-years duration to become a retail salesperson in addition to the two-year training as a shop assistant.

This occupation, too, is to be abolished in favour of another three-year sales profession ("Kaufmann/frau für Warenwirtschaft") [retail salesperson in merchandise]. This was agreed upon by the social partners HDE, HBV and the DAG at the beginning of 1991. The introduction of the new curriculum was then set for July 16th, 1992. For the time being, until the new curriculum takes effect, the occupation of a shop assistant, which is based upon a two-year training, still exists.

Thus, in future there will be two professions of equal status in the retail trade. They differ above all in the main points of the training, which in the new profession of a retail salesperson in merchandise are to concentrate on merchandise information, selling techniques and logistics, while in the revised profession of a retail salesperson the emphasis is more on sales and consultation knowledge. In both professions a solid basis in commercial training is aimed at. Environmental protection and consumer protection are also given increasing significance in the new curricula.⁴¹ From the trade unions' point of view, this reform also guarantees that there are equal chances of promotion in both professions. Against the background of a decreasing number of apprentices, employers, too, attach increasing importance to

this point, namely the improvement of career perspectives. They hope this step will lead to an upgrading of this occupation.

The figures for apprenticeships since 1987 in particular show that a three-year vocational training has a better image and is more attractive: since this time a decreasing number of young people have applied to become a shop assistant, while – in relation to this – the interest in apprenticeships as a retail salesperson has been increasing (however, in absolute terms the number of newly concluded contracts of training has been steadily decreasing in all sales professions since 1989).

6.4 The development of the number of apprentices and their educational background

Over the last ten years or so the development of the number of apprentices in German retail trade has been as follows:⁴² the absolute number of apprentices in the three most important sales professions has remained more or less unchanged over this period (apart from some minor fluctuations); in 1990 it amounted to 123,241. Overall, the numbers for the profession of a retail salesperson have increased. In the meantime it ranks top among all the occupations requiring training in industry, commerce and trade. In the professions of a skilled shop assistant in the food sector and of a shop assistant there is a more or less strong decrease in the number of apprentices. In the profession of a shop assistant the number was halved over this period of time.

Women account for the majority of employees among sales professions: in 1990 there were 94,507 young women, comprising more than three quarters of all apprentices in the retail trade. For the profession of retail salesperson they made up 65%. In the two other sales professions the percentage is even greater (nearly 99% of all apprentices among the skilled shop assistants in the food sector and nearly 82% among the shop assistants are women).

In 1990 these three professions together accounted for 8.4% of all apprentices (1980: 7.3%). This relation illustrates the extraordinarily high status of sales professions in young people's choice of a profession. As regards female apprentices, the status of sales professions is even more marked: 15% of all female apprentices are to be found here.

⁴¹ R. Brötz Umweltschutz in der kaufmännischen Berufsausbildung. [Environmental Protection in Retail Training] GBP 11/1991, p. 250–253.

⁴² Source: "Auszubildende in den 25 am stärksten besetzten Ausbildungsberufen nach Rangfolge, Ausbildungsbe-
reich und Geschlecht". [Apprentices in the 25 most popular professions requiring training, according to
popularity, educational standard and gender] In: Grund- und Strukturdaten 1990/91, p. 111–113; internal
calculations.

Yet if one considers the *new contracts of training concluded* in 1989 and 1990, an above-average downward trend becomes obvious in all three sales professions which is undoubtedly linked to the general decrease in the number of students and apprentices, but which also underscores the poor image of these professions: the school-leavers are increasingly turning to other professions which they hope will offer better career prospects.

As far as the educational background of apprentices is concerned, there is a comparatively low level among sales professions. This applies above all to the two-year training to become a shop assistant. It is one of the few professions within the German educational system which still has a large percentage of school-leavers with Hauptschule leaving certificates (the percentage of apprentices with Hauptschule leaving certificates exceeded 60% in 1989). Among the retail salespeople, we find a more even ratio of apprentices with Hauptschule leaving certificates to those from a Realschule. Here we also find apprentices with an Abitur.⁴³

In recent years there has been an increasing number of special training courses for school-leavers with Abitur in the retail sector. Here mention should be made of the training course towards becoming a commercial assistant. After two-and-a-half or three years of training the apprentice directly becomes a "Substitut" [deputy departmental manager] (more below). The large department stores offer this training internally, while small companies mostly make use of external training facilities (e.g. the "Bildungszentrum des Einzelhandels Niedersachsen" (BZE) [Lower Saxony Training Centre for the Retail Trade] in Springe). Since 1984 there is a national curriculum on training for this profession.

6.5 Vocational continuing training in the German retail trade

In the retail trade, too, increasing importance has been attached to vocational continuing training over the last few years. A survey conducted by the Central Association of German Retail Traders (HDE) "on continuing training throughout the company and outside the company in the retail sector in 1990" showed a 44.6% increase in the number of participants between 1989 and 1990.⁴⁴ This marked increase is generally attributed to the introduction of new technologies, rising demands on the management, the increasing demand for executives and the great significance of customer advisory services in the retail trade. Furthermore, there are the training requirements

resulting from the process of unification of the two German states.

These results refer to all fields of training throughout and outside the company (such as adaptive and promotional continuing training, retraining, socio-political training, etc.). In the following descriptions of the achievements in continuing training within the German retail trade we will focus on the fields of adaptive and promotional continuing training. They account for 50.5% of the measures and for 39.4% of the participants and for 38.3% of the measures and 38.9% of the participants respectively.

The following topics were of special importance within *adaptive training*:

management of a company, work and leadership techniques, etc.:

365 measures; 4,554 participants

sales, marketing, selling, advertising:

315 measures; 4,551 participants;

Computer-aided word processing, office organization, etc.:

210 measures; 2,838 participants.

The percentage of women on the training courses was decidedly below their percentage in terms of the overall number of employees of 65%: the percentage of women in adaptive training amounted to 58.3%. In promotional training it amounted to a little under 50% (Malcher, 1992, p. 10).

In principle, the *career prospects* open to all qualified employees in the retail trade are the same in all sectors and organizational forms. In large-scale companies, particularly in the large department stores with their own in-house training facilities, the individual stages of a career are usually regulated more comprehensively and in more detail than in smaller companies and specialist shops. The latter co-operate to a larger extent with the numerous institutions offering training facilities in the German retail trade. Such institutions are supported by the Landes- und Regionalverbände des Deutschen Einzelhandels [German retail trade associations at local and state level] (e.g., training centres for the retail trade). Furthermore, there are Fachschulen [technical colleges] for the individual sectors (such as textiles, food, furniture and health food, etc.) and the training centres supported by the unions DAG and HBV in the east of Germany.

These training centres and technical colleges offer theoretical instruction complementary to initial vocational training, as well as courses to adapt

⁴³ Vocational training report 1991, pp. 37f.

⁴⁴ Malcher, W., 1992: Ergebnisse der HDE-Umfrage zur über- und außerbetrieblichen Weiterbildung im Einzelhandel [Results of the HDE survey on intra-company and external training in the retail sector] 1990. Cologne. (unpublished manuscript)

the personnel to new technologies and requirements, etc., or to increase their chances of promotion and professional retraining.

The "normal" career in the retail trade comprises the following steps:

shop assistant,
deputy departmental manager,
head of department,
store manager.

While salaries for a shop assistant and a deputy departmental manager is regulated by the

collective bargaining agreement, the actual top executives (head of department and above) are paid outside the agreed scale, i.e. in individual agreement with the company.

In contrast to other areas, particularly in industry, the retail trade still recruits its executives mainly from its own ranks of sales personnel.⁴⁵ Thus there are still good career prospects in this sector, also for those with a Realschule or Hauptschule school-leaving certificate (at least up to the level of a deputy departmental manager).

Table 1 - Turnover figures in the retail trade, *real change in per cent*

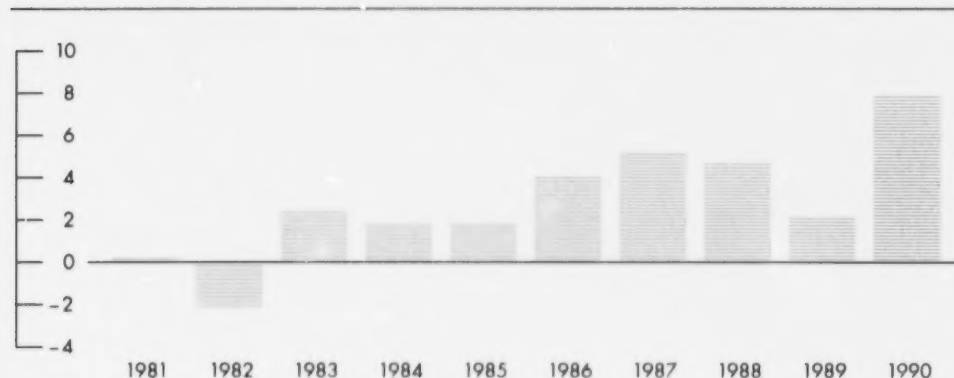


Table 2 - Nominal development of investments and turnover in the West German retail trade

	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990 ^a	1991 ^b
investments in bill. DM	6.7	6.9	6.6	6.5	7.0	7.5	8.3	9.5	11.0	14.0	14.5	16.9	19.8
changes in %	+7	+4	-6	-1	+8	+7	+10	+14	+16	+27	+4	+17	+17
changes in turnover in %	+6	+6	+4	+1	+3	+3	+2	+3	+4	+4	+5	+11	+7
quota of investment ^c in %	2.1	2.1	1.8	1.7	1.8	1.9	1.9	2.1	2.3	2.8	2.7	2.9	3.2

^a preliminary - ^b estimated on the basis of plan data - ^c percentage of investment in turnover

Source: ifo Institut für Wirtschaftsforschung [Institute for Economic Research] and Federal Statistics Office
From: ifo-Schnelldienst 23/91, p. 3

⁴⁵ According to one estimate, about half of all executives in large stores are recruited internally, in small stores this percentage is even higher. (C. Boehm-Kochansky: *Karriere im Handel* [A Career in the Retail Trade]. A series in the textiles sector, no year given)

Table 3 - Development of turnover in retail trade, according to sectors from 1980 to 1988

Sector	in million DM					share in %			development
	1980	1982	1984	1986	1988	1980	1984	1988	1980/88 in %
foodstuff, tobacco beverages	95,123	106,174	120,070	123,787	137,870	25.3	27.0	25.6	44.9
textiles, clothes leather ware, shoes	53,482	54,886	57,169	64,521	67,518	14.2	12.9	12.6	26.2
furnishings	28,765	29,143	31,487	32,193	36,805	7.7	7.1	6.8	28.0
electronic products, musical instruments	15,239	16,779	18,782	21,541	23,787	4.1	4.2	4.4	56.1
stationery, office machines	10,456	11,190	12,847	14,676	17,792	2.8	2.9	3.3	70.2
pharmaceutical, cosmetic and medical products	24,170	26,722	29,659	32,461	39,369	6.4	6.7	7.3	62.9
fuel, lubricants	8,588	9,435	10,014	10,200	10,710	2.3	2.3	2.0	24.7
vehicles, tyres spare parts	44,722	47,152	55,967	67,573	79,366	11.9	12.6	14.8	77.5
miscellaneous	95,287	100,521	108,767	113,717	124,595	25.4	24.5	23.2	30.8
total retail trade	375,832	402,002	444,761	480,669	537,813	100.0	100.0	100.0	43.1

From: ifa-Schnelldienst 14/1991, p. 12 (tab. 1)

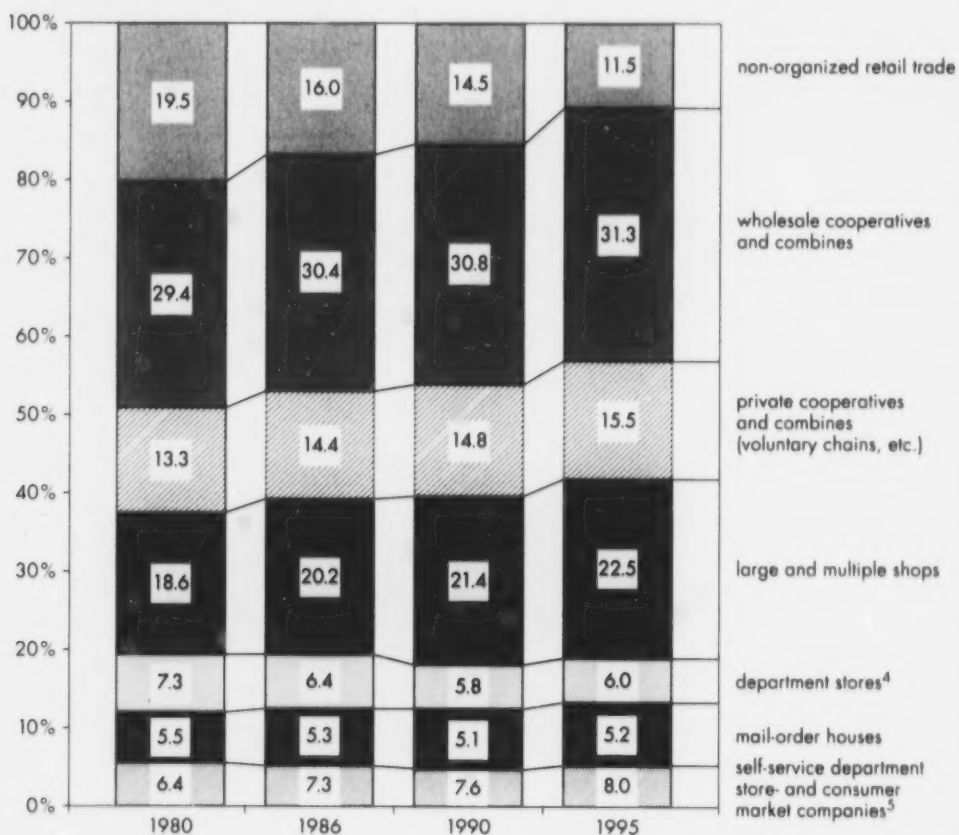
Table 4 - Number of enterprises in the retail trade, according to sectors from 1980 to 1988

Sector	number					share in %			development
	1980	1982	1984	1986	1988	1980	1984	1988	1980/88 in %
foodstuff, tobacco beverages	101,814	96,925	93,927	88,946	85,163	27.7	24.3	21.5	-16.4
textiles, clothes leather ware, shoes	65,120	65,859	68,211	69,432	69,695	17.7	17.7	17.6	7.0
furnishings	34,594	36,318	38,008	38,452	39,589	9.4	9.8	10.0	14.4
electronic products, musical instruments	21,524	22,987	24,621	25,723	26,620	5.9	6.4	6.7	23.7
stationery, office machines	16,535	17,124	18,260	19,304	20,476	4.5	4.7	5.2	23.8
pharmaceutical, cosmetic and medical products	30,037	30,688	31,002	31,112	31,554	6.2	8.0	8.0	5.1
fuel, lubricants	17,653	16,824	15,898	15,127	14,305	4.8	4.1	3.6	-19.0
vehicles, tyres spare parts	22,672	24,785	28,291	31,103	33,811	6.2	7.3	8.5	49.1
miscellaneous	57,529	61,446	67,669	72,022	75,461	15.7	17.5	19.0	31.2
total retail trade	367,505	372,956	385,887	391,221	396,674	100.0	100.0	100.0	7.9

From: ifo-Schnelldienst 14/91, p. 13 (tab. 2)

Table 5 – Market share of important organizational forms¹ of retail trade in the Federal Republic of Germany²

Estimated figures



¹ Classification according to activity

² Territory of the old Federal states

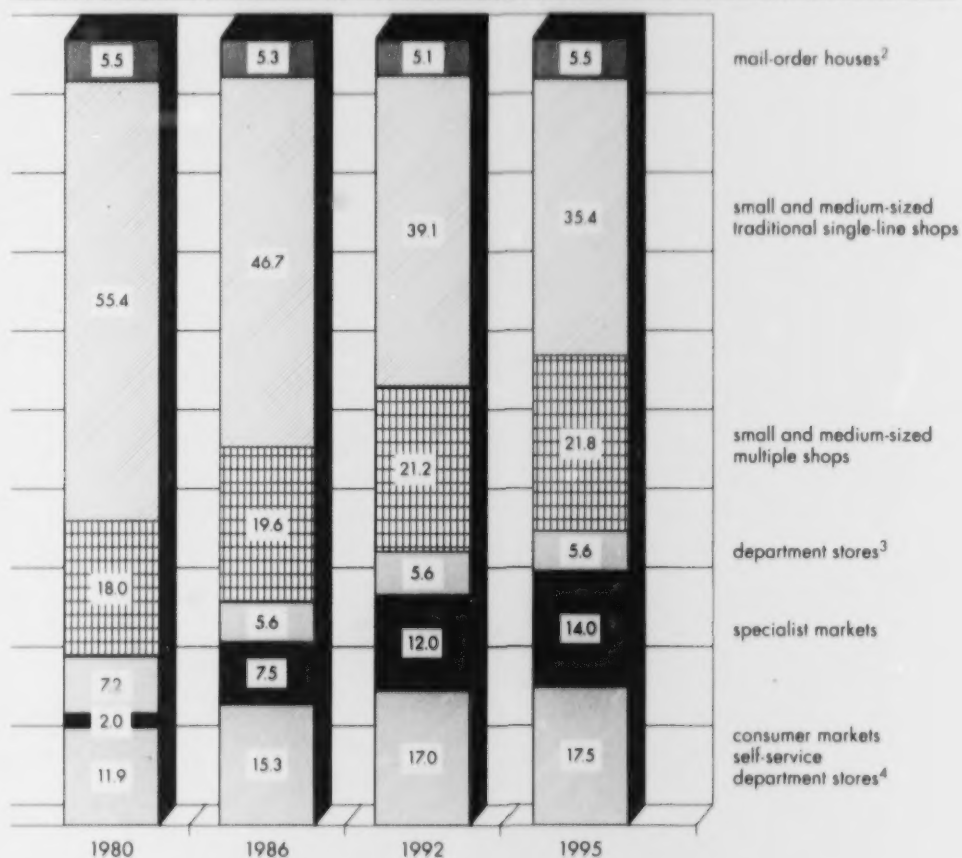
³ Including group-owned municipal companies

⁴ All department stores (inc. the big four)

⁵ Enterprises mainly operating self-service department stores and/or consumer markets

Source: Calculations and estimates of the Ifo-Institut on the basis of documents of associations, institutions, enterprises and of the Federal Statistics Office

Table 6 - Market shares of the individual types of sale in the Federal Republic of Germany¹ Estimated figures



¹ Territory of the old Federal states.

² Total turnover (including stationary retail trade).

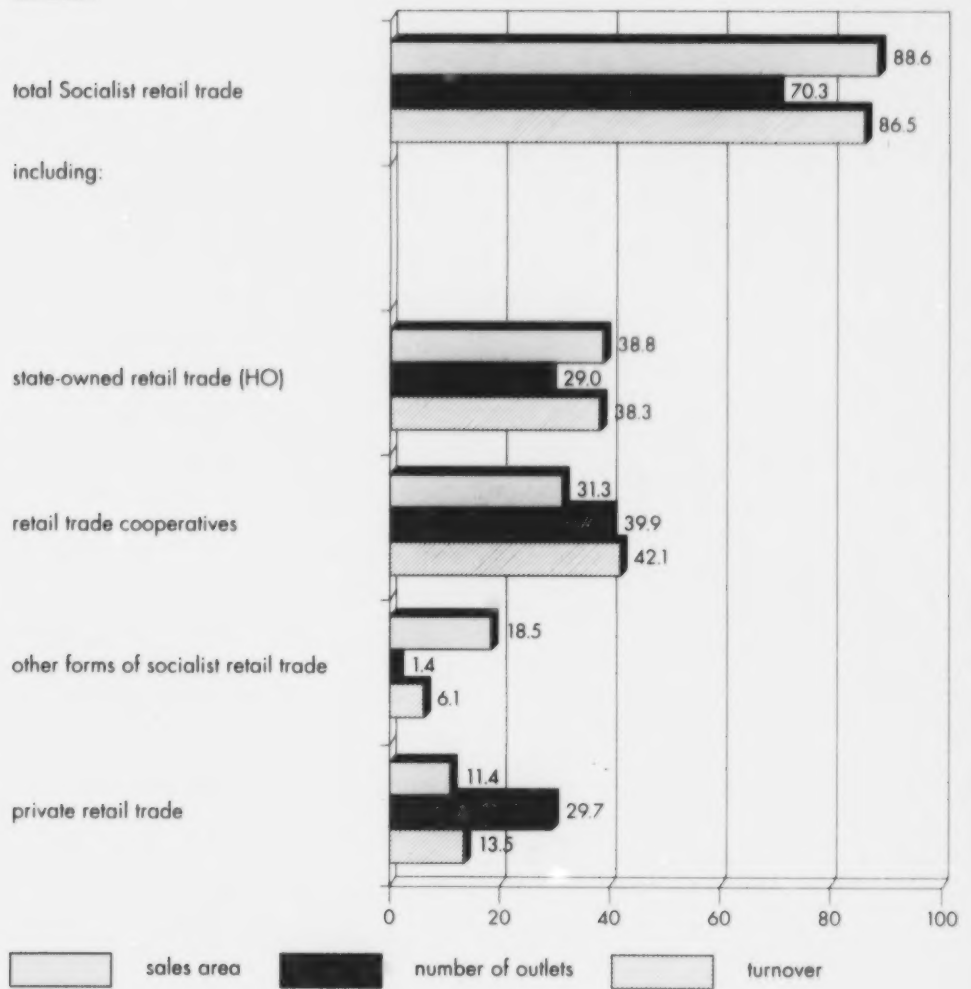
³ Only the four big department stores (or groups) and Woolworth.

⁴ Only consumer markets and self-service department stores with food departments.

Source: Calculations and estimates of the Ifo-Institut on the basis of documents of associations, institutions, enterprises and of the Federal Statistics Office

Table 7 - Retail trade structure in the GDR according to forms of ownership, turnover, sales area, number of outlets 1988

Share in %



Source: Leipzig Handelshochschule [commercial college]

Table 8 – Employees in the retail trade subject to social security contributions

	1980	1985	1986	1987	1988	1989
Total	1725	1644	1634	1672	1709	1732
females	1140	1096	1089	1113	1144	1163
in %	66.1	66.7	66.6	66.9	66.9	67.1
part-time employees in %	96.9	97.1	97.1	97.0	96.6	96.7

Source: Employees subject to social security contributions (in the retail trade) on June 30th, 1989, (internal calculations)

Table 9 – Number of employees in the retail trade

Annual average					
	1980	1985	1988	1989	1990
Employees in 1,000					
Full-time employees	1803	1731	1781	1782	1799
Part-time employees	677	747	841	871	914
Total	2480	2478	2622	2653	2713
Share of part-time employees in %	27.3	30.2	32.1	32.8	33.7
Annual change in %					
Full-time employees	+0.3	-0.3	+1.6	0.0	+0.8
Part-time employees	+3.6	+2.9	+5.1	+3.5	+4.8
Total	+1.2	+0.6	+2.7	+1.2	+2.3

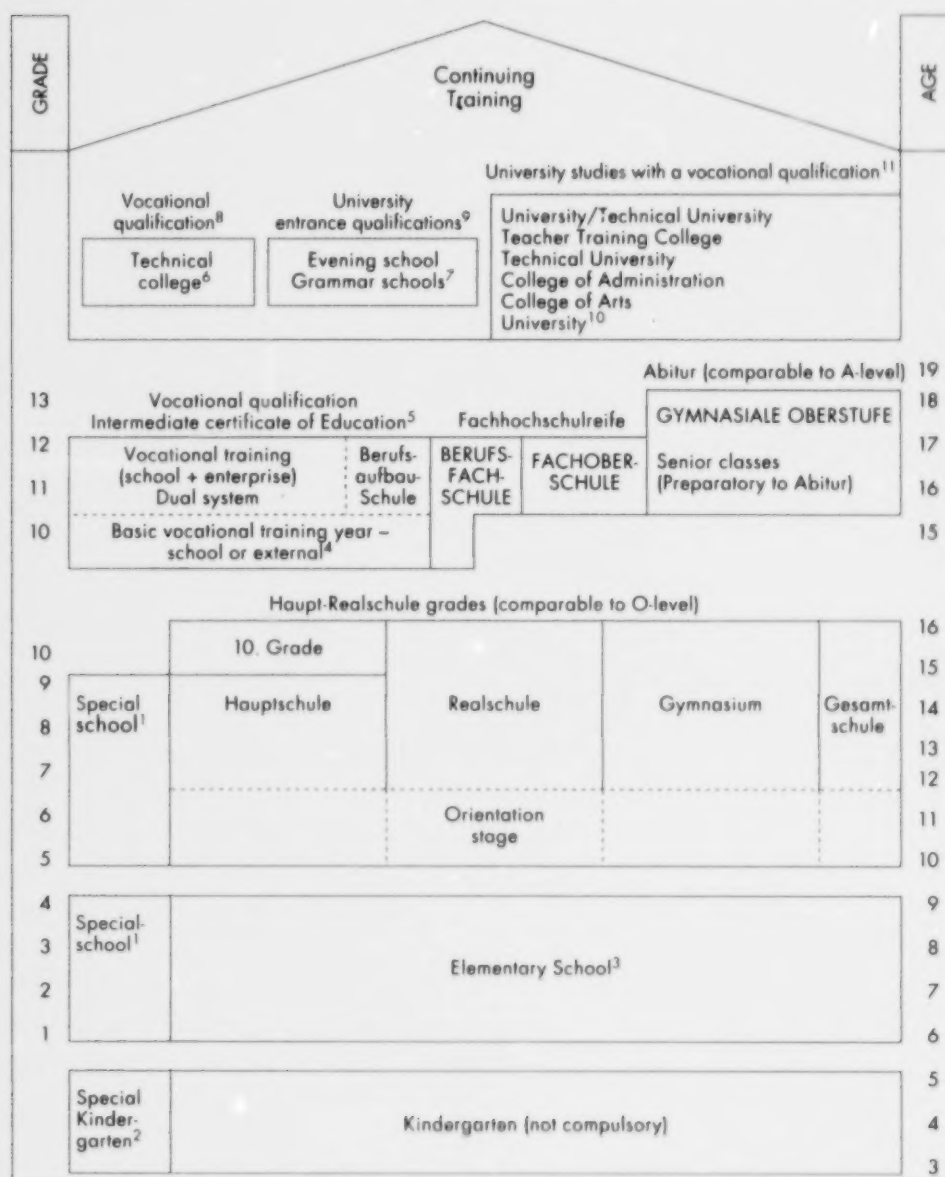
From: 43rd work report 1990, Hauptverband des Deutschen Einzelhandels, p. 9, (tab. 3)

Table 10 – Flexible working hours and work "on call"

Sector / organizational form	number of enterprises	number of employees	flexible working hours	work "on call"
			in % of all employees	
city department stores	10	2892	15.5	0
self-service department stores	9	1811	2.9	1.0
food sector	24	654	12.3	1.7
textiles	9	860	36.2	9.3
furniture	9	823	1.4	0
chemists' shops	12	111	5.4	19.8
pharmacies	7	64	0	1.6
household goods/hardware	9	204	1.5	0
Total	89	7419	14.3	1.8

From: BAG-Nachrichten 9/91, p. 14 (tab. 2)

Table 11 - German education system

¹ Sonderschule² Sonderkindergarten³ Grundschule⁴ Berufsbildungsjahr schulisches oder kooperativ⁵ Berufsqualifizierender Abschluß, Mittlerer Bildungsabschluß⁶ Fachschule⁷ Abendgymnasium/Kolleg⁸ Berufsqualifizierender Abschluß⁹ Allgemeine Hochschulreife¹⁰ Universität, Technische Universität, Pädagogische Hochschule, Fachhochschule, Verwaltungsfachhochschule, Kunsthochschule, Gesamthochschule¹¹ Berufsqualifizierender Studienabschluß

PART 2:



1. Hertie
2. Kaufhof
3. Textile Store D
4. Kressmann
5. SPAR
6. Konsumgenossenschaft
Dortmund-Kassel e.G.
7. Summary

1. General description of the firm⁴⁷

The Hertie Waren- und Kaufhaus GmbH (Hertie Department Stores, Ltd.) is the third largest of the four large department stores in Germany. Apart from the branches, there are also diverse forms of marketing organization belonging to the whole Hertie group, e.g. in the electrical and technical sector as well as travel agencies, food stores and a limited company for catering and services. Since the beginning of 1991 the group additionally has its own banking establishment and has shares in various other companies. The main emphasis of the company, however, is on the department store sector.

The range of goods within the food and the non-food sector amounts to about 150,000. The sales area amounts to approx. 850,000 square metres.

The registered offices of this limited company are at Frankfurt-Niederrad.

An *organigram* is only available for the sector "development of staff/staff management". This sector was restructured at the beginning of 1991, on the grounds that "the 'personnel factor' would increasingly become more important while struggling for the competitive edge". This sector is subdivided into three "main departments", all of them being subordinate to a common "sector management", as follows: SD (= staff development) coordination and information, SD marketing and SD qualifying measures (see below, item 2). Each of the three sectors has one respective head. For each of the three sectors there is one responsible manager.

The Hertie sites are subdivided into six regions (for West-Germany) in all. Within these regions we find a more or less strongly distinct compound structure. This can refer, for example, to a communal merchandise information system, to a combined purchasing policy, or to cooperation between the training departments, etc.

1.1 Brief history and structure of the firm

The Hertie Waren- und Kaufhaus GmbH has been in existence for more than 100 years, originally as a family-owned business. The first retail trade store HERmann TIEtz was set up on 1st March 1882 in Gera.

Since 1974 the Hertie public foundation, the fourth largest foundation within the private sector in the Federal Republic of Germany, is the holder

of 97.5% of the shares in the Hertie Waren- und Kaufhaus GmbH.

Whereas the emphasis was first placed on the department stores in the form of Hertie, and later on - by acquisition - Wertheim and Bilka department stores, the policy during the last years has clearly been in the direction of a diversification of the commercial activities (see above, item 1.1). Right up to the 1980s the structure of the whole Hertie group was different in so far as there was a greater number of department stores. In 1983, for example, there were still 77 department stores (belonging to Hertie and Wertheim), and additionally there were 45 Bilka department stores, a chain of department stores with a low-price range of goods. Over the last few years, the latter stores have nearly all been sold to another department store group (Kaufhof).

Turnover for 1990 was 10% higher than the previous year, namely 4.4 billion German marks (department stores) and approx. 6.7 billion German marks (entire group). For the first time "in many years" Hertie GmbH, as well as the whole group, started realizing profits again. This positive development is mainly attributed to the unification of the two German states.

In 1990 there were 65 stores in West Germany, and since March 1991 3 more have been added in East Germany.

1.2 Human resources

Over the last 10 years the number of employees within the department store sector has been continuously decreasing, in connection with the closing of many department stores. In 1990 there were still 26,361 staff members (this represents a total of 20,148 staff members expressed in terms of full-time employees), which means that the number of employees diminished by approx. 1,300 compared to the preceding year. The average age is 39 with 10 years of employment within the company. These figures have remained unaltered for several years.

The working hours coincide with the regular legal working time in Germany of 37.5 hours a week. The monthly and weekly distribution of working hours, however, is regarded by the staff committee as being especially favourable. Within the retail sector a "rolling system" ensures that each of the shop assistants gets one free weekday a week. This day changes from week to week

⁴⁶ Within the scope of this case study, interviews have been carried out with the head of the central department of training in Frankfurt, as well as with the head of personnel and the chairman of the staff committee in the Frankfurt store; moreover, at the Mannheim store the managing director responsible for staff management, a female instructor and the chairman of the staff committee were interviewed, too. The chairmen of the staff committees at both stores we investigated were at the same time members of the general staff committee (serving as vice chairman and member of the relevant training committee, respectively).

⁴⁷ The following information is based on the 1990 annual report of the Hertie group, Frankfurt/Main 1991.

(starting on Monday, then Tuesday, Wednesday and so forth) such that each employee has one long weekend every five weeks (i.e. Saturday until Monday).

For some years now the percentage of women amounts to an average of 73%. Among the individual groups of employees, however, this percentage differs.

For years 1989 and 1990, the figures are as follows:

	1989:	1990:
Higher managers:	7%	8%
Heads of departments:	25%	29%
Deputy departmental manager:	48%	48%
Junior managers:	68%	68%
Other employees	76%	76%

The percentage of women among the group of part-time employees (including employees with a flat remuneration rate and temporary staff) amounts to a little less than 33% (over 90% of them females).

Since 1989 a programme for women's promotion is in existence which has been passed with the general staff committee; in this respect, a company statement has been made ("Women at Hertie") with which the firm has publicly committed itself to granting special privileges to women and to support their promotion: the main aim is to increase the percentage of women in higher management positions and to improve combining a career and family. Its explicit aim is "to increase the percentage of women among higher management - compared to the number at the end of 1989 - by 20% by the end of 1991". According to statements made by the central training and staff department and by the general staff committee, practical steps are being taken to reach this goal.⁴⁸

Since April 1987, there has been a working group "women at Hertie" throughout the entire company. This working group is directly supported by the head of the personnel department, in order to emphasize the importance attached to this statement by the executive board. Moreover, a general staff committee agreement was signed in September 1990 which is constantly updated (supplemented and expanded).

The principal regulations of this women's promotion are:

- The possibility of an extended maternity leave, i.e., the legal maternity leave can be supplemented by an (albeit unpaid) internal maternity leave. By this means, a total period of up to six years' leave can be taken (this applies to both parents).
- The social benefits granted to employees (e.g. staff discounts) also apply during this period. The courses for qualifying training may be taken advantage of on a voluntary basis, in order to keep oneself up-to-date. The costs of these measures are borne by the company.
- At the end of the maternity leave, the employees are "entitled to employment, and, where possible, a position equivalent to the previous one and at the same firm where he/she was employed before." If this is not possible, a suitable alternative is offered.
- In order to enable single mothers to participate in continuing training activities of several days' duration too, a location for the seminar is chosen where day care for children is ensured.
- The recreation home owned by the enterprise also allows single mothers an additional possibility of taking their children with them.
- In some of the stores (Frankfurt) a works agreement was signed, allowing those women who work on "langer Donnerstag" (extended shopping hours on Thursdays) to take a taxi rather than use public transport.

The permanently employed staff (full and part-time employed staff) have normally completed vocational training, though not necessarily adequate for the job concerned. The courses for vocational training provided by Hertie, as well as the internal career structure, are as follows:

Vocational training: The number of apprentices amounts to approx. 2,000 in West Germany. The main emphasis within vocational training is placed on the following professions: retail salespeople (1460 apprentices), window-dressers (205 apprentices) and clerks (approx. 200 apprentices) as well as the occasional shop assistants (64 apprentices). The 2-year training to become a shop assistant was discontinued by Hertie about half a year ago, although this would have still been legal (at the explicit request of the apprentices, some exceptional regulations are made in some stores).

As regards vocational training, a very comprehensive general works agreement was signed for the profession of a retail salesperson last year. This stipulates down to the last detail, for example,

⁴⁸ According to the annual reports for 1989 and 1990, and according to the general staff committee, the number among the higher management has actually changed to the advantage of women over the last few years, namely from 7% (1989) to 8% (1990) and to 12% (1991).

which training components are to be offered, and at which places and at which time. It thus provides precisely coordinated training programmes, the compliance to which is monitored by the staff committee and the representation of young people and apprentices on site. This is aimed at improving the qualification of the sales staff. Additionally, there is room here for establishing a "training office" where the apprentices can learn to work independently by leading and managing a kind of "firm within the firm". This instructional method which is relatively time-consuming for the instructors, is employed in different ways by the different stores.

According to the staff committee, one of the main disputes was on the agreements regarding control of the level of training and of progress. This was due to the fact that, for the first time, the apprentices themselves should have the possibility of controlling whether they are receiving all the training components. This is thus a kind of reciprocal control.

For "Abiturienten" there has been a special course of late which is called "commercial assistant". This vocational training has a duration of two years, after which the graduates are immediately assigned to the executive position of a deputy departmental manager. Until now, Hertie has no practical experience with this profession which has only recently been accepted by any of the IHK (Industrie- und Handelskammer = chambers of commerce). Estimates as to the degree of acceptance vary: whereas the central training department sees here a chance for a more flexible assignment of staff, since the "Abiturienten" can be trained relatively quickly for certain managerial positions, the personnel departments of the two stores interviewed see a danger of young people taking up positions without gaining experience and respect within the staff. They would prefer to see a ratio of nine internal deputy departmental managers to each one externally recruited.

Internal career structure: Following the three-year vocational training to become a retail salesperson, the promotional training towards becoming a "Erstkraft" (junior manager) can be started, once sufficient professional experience has been gained (there is no definite time schedule stipulated). This promotional training lasts about one year and concludes with an internal final examination. The continuing training takes place in the shape of internal courses, either by the hour, or partly en bloc during the normal working time, or by means of self-instruction.

The next promotion step leads to the position of a deputy departmental manager. The internal promotional training is also of one-year duration and ends with an internal Hertie final examination.

The promotion continues in the same way, with approx. another one year of promotional training

to become "head of department" and with the additional promotional chances to become a "managing director" (two years within the Hertie trainee program) and so forth.

The same promotional chances are also available to the other professions requiring instruction. In practice, however, they apply particularly to the sales professions.

For about two years now, a programme has been in existence throughout the whole group called "personnel management at Hertie". This stipulates the new management principles for a "Management 2000". The goals of the programme are a modification of the style of leadership towards a more cooperative attitude, as well as greater promotion of the female trainees. According to the general staff committee, this programme, which has been in preparation for approx. five years, has been instrumental in changing the social atmosphere also with regard to the cooperation between the executives and the representation of interests. In this connection, the stronger emphasis on initial and continuing training is also visible.

2. Continuing training policy at Hertie

2.1 Development of continuing training and the current state of training structure

Over the last few years the management has explicitly attached greater importance to the initial and continuing training of its employees. The restructuring of the sector "personnel development/personnel management" (early in 1991) mentioned above can also be seen in this connection. The aims stated are: to ensure the initial vocational training on a permanent basis by way of initial and continuing training, to increase the employees' skills, to improve the management capabilities of the executives, and to recruit the junior executive staff for the middle management of the future.

The company makes use of a *central training department* ("SD qualifying measures"), which is directly assigned to the "sector of staff development/staff department". This department is responsible for initial vocational training, continuing training (retraining and promotional training), and junior management (trainee programs, cooperation with the "Berufsakademien" [vocational training academies]). Furthermore, the department develops its own events and courses within the sector of (continuing) training. Only continuing training within the merchandise sector has recently been assigned to another sector ("informatics") in order to unite the development and application of the programmes in one department and so minimize possible problems caused by a lack of coordination.

It is the central department of training and staff which elaborates the company policy and the main emphasis of continuing training for all the stores. Both are agreed on with the general staff committee. The department stores transform the instructions from the central office independently according to their own specific needs. For about two years now (since a change in the department's management), a new procedure for the realization of these programmes has been worked out. After having been discussed with the general staff committee, they are in the first instance used as models in particular regions and tested in pilot trials. Only after the experience thus gained has been accumulated and applied to the previous data, will the new concepts be employed in the whole of the Federal Republic.

Examples of such programmes developed by the central training department or the central department for informatics over the last few years are: The development of training units within initial and continuing training for the application of the new EDP technologies, especially the introduction of an integrated merchandise information system (MIS). At the moment, this MIS is being used and tested in some regions, with the aim of being installed in all areas later on, i.e. within approx. two years. One of these stores is the store in Mannheim. The realization of the new company statement "Good is not good enough for us" has been adopted by all the branches and for all groups of employees by transferring it to training programmes, each one with a duration of several hours. It was here that a binding "introductory strategy" was developed.

The introduction of a new training programme for the sales staff: "TIP", which contains a daily department-related discussion with all the employees in sales positions (Mannheim here too is one of the first stores in which the new system is being tested).

Moreover, the training in merchandise knowledge is developed by the central office together with the manufacturers, as well as the promotional training.

In principle, internal continuing training is offered to all groups of employees, that means the sales staff, the administrative clerks, the employees in the display sector and the stores. Only those working in the specialized sector of electrical engineering (repair workshops for radio and TV appliances) are not anything internally, since this group is too small (no more than 3 people per store). Their training takes place within the specialized trade of electronics.

There has been little change here over the last 5 years. The scope, however, did extend and the methods were modified. There is now an attempt to move away from didactic teaching in order to come into closer and more intensive contact with

the students. This does not so much concern the managers, but rather the employees on the lower levels, particularly the sales staff. They are the ones on whom new training methods are now being tested which should allow a dialogue between the training staff and the employees, and deal more with everyday problems than was previously the case. These training units are, for instance, "TIP", "Serving in crowded situations" and so forth. If possible, all employees, and especially those from the retail sector, are to participate in such measures of retraining so that everyone is on the same level.

There is an explicit attempt on the part of the company to recruit more managers internally than has been the case until now, i.e. by way of internal measures of continuing training. There is a special programme for this promotion of junior staff: "Qualifying activities of managers in the south-west, according to demands". This programme has been developed centrally within the training department and has been tested since the beginning of 1991 in the south-west region. The company has no central statistics on employees' participation in continuing training measures. This will only become possible after the installation of a central "system of staff control" in which all staff data will be stored. Moreover, there is no central recording of costs for the whole staff development sector within the company.

2.2 New (technological) developments and continuing training

Some years ago (in 1985, and intensified one or two years ago) Hertie started the installation of an *integrated merchandise information system* (MIS). Up to now, this system has been used within four of the six combined regions, and the others will follow in the next years. As far as the central department of "informatics" is concerned, which is responsible for the implementation as well as for the employees' training, the system has since developed such that it works without any problems. The general staff committee, however, considers there to be still problems left regarding its application. These problems refer in particular to the basic issue that the busy sales environment – and not least the people working in it – have to submit to a computer system and to a system-dependent logic, which could have counterproductive results.

The installation of MIS systems is accompanied in each case by comprehensive instructional programmes. All those affected attend this training, i.e., employees within the retail sector, the stores and administration. The duration of the instructional units differs (a minimum, however, of about one day), depending on the intensity with which each respective group of employees is concerned with the MIS.

A second important development is the commitment of the group to *environmental protection*.

For about one and a half years the action taken in this respect has been intensified. The enterprise stresses its "pioneering function", also in comparison with other department stores. The subject of environmental protection has directly been made the responsibility of a member of the management committee. There is a working group on the managerial level of the central administration as well as one competent member of the management committee for each of purchasing and sales. The aim is to have one representative for the protection of the environment in every store. Hertie is cooperating with the German association for environmental protection, BUND. The following practical measures already exist: an attempt towards reducing the waste caused by packing material; the effort to abolish plastic bags in the sales department; the labelling of goods according to their environmental compatibility; influencing suppliers to only sell environmentally-friendly products; the transfer of transportation from road to rail.

Another part of this commitment is a campaign throughout the group aimed particularly at heightening the employees' awareness of the environment. In cooperation with BUND, film material has been produced which is used for the training purposes. In the meantime, environmental protection has also been incorporated as an integral part of vocational training.

2.3 Participation of the staff committee

The questions regarding internal initial and continuing are subject to co-determination according to the relevant "Betriebsverfassungsgesetz" (Industrial Constitution Law). Thus, they are subject to the agreement of the general staff committee. At Hertie this comprises 23 members and is elected by the members of the staff committees at every single store. At an intermediate level, there are "regional representatives" from all the six regions into which the Hertie group is divided.

The general staff committee itself is subdivided into different committees which hold their own meetings and deal with their own subjects. For example, there is a committee for economy, technology, staff, women and training. The latter is concerned with any innovation planned within this sector. This is the place where the innovations are discussed with the central sector "qualifying measures" as soon as the drafts made by the sector "qualification" become available. The committee then treats these drafts and adds its own proposals for modification. The committee is also responsible for the preparation of works agreements. The quorum, however, can only be constituted by the general staff committee, the resolutions of which are binding for all the stores.

Compliance with such agreements is supervised by the local staff committees.

The staff committee and the central sector for training are unanimous in their emphasis of the fruitful character of their cooperation. According to the general staff committee, this cooperative style is considered a result of the management style which has generally been improved for some years now and which has also affected the atmosphere of the disputes between the two social partners.

3. A closer look at a particular store (outlet): Hertie Mannheim

The stores investigated were those in Mannheim and Frankfurt/Main. We will refer first to the store in Mannheim.

General information

This store is situated in the centre of Mannheim, i.e. directly in the shopping area, alongside other large and smaller shops and stores, including the nearest competitor, Kaufhof. With its staff amounting to 192 ("head-count"), the Hertie store in Mannheim belongs to the smaller stores, that means to "the lower middle".

Mannheim is a "central city between Pfalz and Odenwald". Thus, the group of customers is rather mixed and comes from a comparatively wide and rurally structured area. This store differs from the others particularly in its range of goods which is selected specifically for this site and is repeatedly controlled. The main emphasis is placed on the textile and the technical equipment sectors. There is no food-sector, which is atypical for a department store. Instead of this, we find a large toys department ("We, the children") in the basement with a sales area of 1200 square metres. This is a pilot trial, for the whole group, to test how well this shop (owned by Hertie) may be integrated within a department store.

Apart from this, there are some, altogether 15 more or less large "co-operation-partners" (an internal group term for franchises), who are operating on Hertie sales areas and who have to include Hertie in their turnover: e.g., "Mister-Minit" (heel bar and key-cutting service), a hairdresser and a machine for producing visiting cards. In principle, they are independent as regards their presentation and staff policy, but to a certain extent they have to adapt their form of appearance to the Hertie image. In special cases, e.g. the transformation of the new Hertie slogan "Good is not good enough for us", the employees of the partner firms were also incorporated, since in this respect the whole Hertie concept was concerned.⁴⁹

⁴⁹ To this extent, there is a reciprocal supply of school-age assistants (which is becoming ever more important for the recruitment of apprentices) and the opportunity for the co-operation-partners to make use of the social facilities directly belonging to the group, such as the canteen and infrastructure.

The concept which was in operation until approx. 10 to 15 years ago, of having "everything underneath one roof" or, in other words, offering the customer the largest range of goods possible, is no longer considered up-to-date: the increasingly strong competition from the specialized and consumer markets located in rural areas no longer permits this. Instead of this, significance is placed on providing the customer with a comprehensive range of services (carpet-laying, drapery, radio-service), alongside the supply of articles, and on attractions which make "shopping an experience". This form of "super-shopping" represents the trend acknowledged by all the department stores, one which corresponds to a new customer behaviour which has developed strongly over the last few years.

Organigram

The store has a dual management structure (two managing directors, one of whom is responsible mainly but not exclusively for the technical side, the other for the staff management; both are responsible for the sales management). The department of initial and continuing training is directly answerable to this highest level of management in the store. This department has two permanently employed female staff members and is not only responsible for the store in Mannheim, but also acts as a base for the Hertie stores in Kaiserslautern and Viernheim (both in the same region). The department of initial and continuing training is primarily responsible for the implementation of the training programmes which are developed centrally. They select those programmes appropriate to the store, adapt them where necessary to the specific needs of the store and train those employees in line for continuing training, or train the managers who in turn impart their knowledge to others.

For more than five years the store, one of the first, has been connected to the integrated merchandise information system which is installed throughout the region. Additionally, it was one of the pilot firms that tested the MIS through all the preliminary phases. Mannheim has now been assigned to a "purchaser for the compound system": one regional central department is responsible for all the nine stores belonging to the compound system. Thus, the function of the purchaser formerly working in one store and also the majority of office and administration tasks have largely been abolished.

The structure of employees is as follows:

Among the 192 employees within the sales department and administration (day of study: 14th October 1991) there are:

purchasing/ departmental heads:	11 (7 male/4 female)
deputy departmental manager:	8 (5 male/3 female)
junior managers:	14 (5 male/9 female)
full-time employed persons:	89 (24 male/65 female)
part-time employed persons:	8 (1 male/57 female)
temporary staff:	12 (3 male/9 female)

This means that among this group of employees, the percentage of women amounts to 76.6%. The percentage of sales and other staff is not documented. Information as to the development, especially in connection with the installation of the MIS, can, however, be gleaned from the numbers of apprentices which amount to (in total):

30 apprentices aiming to become retail salespeople, 20 of them being female apprentices, and 4 window-dressers (3 of them female).

Among the apprentices approx. 50% are not German. The majority have a leaving-certificate from a "Hauptschule". Only in the decoration sector are the percentages of pupils with a leaving-certificate from a "Realschule" or with a "Abitur" (final examination qualifying for university entrance) higher.⁵⁰

The particular difficulties which have arisen since the mid-1980s in finding sufficient and appropriate sales staff may be seen in the recruitment. Nowadays the apprentices have to be recruited by the firm, since the numbers of applicants are so low that the demand can no longer be met; this problem has not yet become so serious in Mannheim, compared with the cities of Munich, Frankfurt, Hamburg. But in the meantime, Hertie in Mannheim has again started recruitment

⁵⁰ The ratio is different again in terms of applications: 80% of the applications refer to the display sector, only 20% to the retail sector. Among the latter sector, it is 80% of women and much more than 50% of foreigners who apply. Mannheim has generally a rather high percentage of foreigners, especially Turkish people. The prime criteria for the selection are the grades in German and mathematics, and – very important – the "marks for up top" (diligence, conduct), perhaps also the general state of health.

campaigns in schools. The difficulties, however, also appear in the migration of the trained sales staff. Since a three-year training has become standard, the banks in particular successfully entice away those trained in the retail sector: from the employees' viewpoint, working conditions, as well as payment, are often more attractive.

Faced with this development, the qualifying measures which Hertie offers its employees become even more important. There is additional advertising stressing the promotion possibilities offered by the trade (junior manager, deputy departmental manager, head of a department, etc.; see above). Here the store operates according to the group's own guidelines, which, incidentally, are similar to the whole of the retail trade.

Continuing training at Hertie - Mannheim

In the following, we will refer to the courses concerning retraining measures and to the training which has been made in connection with the introduction of the MIS.

Both are elaborated in terms of content and method and prepared for the specific needs of the company by the central office in Frankfurt. Primarily this relates to courses aimed at the executives, on the one hand, and to the sales staff on the other hand. Responsible for initial and continuing training are the two permanently employed female staff members. There is no other permanent staff of trainers; only for certain special subjects are external trainers called in (from the central office), sometimes the manufacturers attend. Moreover, there is close contact to the trainees in the store. Essentially this deals with the following subjects:

- "Selling with Hertie", a sales training programme for the target group of sales staff (the focal point in this store was: serving at peak-hours, duration of the training approx. 2 or 3 hours);
- "TIP" (see below);
- Special activities in relation to new enterprise slogans, or advertising or sales campaigns;
- Addressed especially to executives, the familiarization with the MIS, subsequently also for all the other employees. According to the respective function, these training units were of a different duration and structure;
- For executives - familiarization with the new operational systems.

The largest part is covered by the sales and behaviour training.

The "TIP" course is currently being tested at three Hertie stores. The implementation of TIP was preceded by a phase in which everybody, including those from the non-selling sector, was familiarized with this new system (the executives for approx. two days, the other staff members in the shape of a presentation at the "bistro").

The "TIP" course has been followed for approximately six weeks now. This method essentially consists of a file-card system, with a classification according to topics (for example: customer orientation, politeness, problems at the till, stocktaking, familiarization with the product range). Up to now, it contains approx. 1200 questions taken from the cognitive and the behavioural sector.

Every day and in a department-related way, certain problems are taken from this range of subjects for discussion among the employees. The selection is made by the superior but agreed upon with the staff who are thus encouraged to think and work in a team. These 5 or 10 minutes in which everybody, i.e. also the part-time employees, participates, aims primarily at discussing problems related as closely as possible to actual practice, and which constitute the everyday life of the employees. The inclusion of such problems in the discussion is one of the essential goals and also forms part of the methodical considerations. Mostly, the subjects are not new, but the main aim is to brush up forgotten matters.

Both the possibility of a "consultation" with the heads of departments, and the "consultation" with the managing and store direction are emphasized. The latter is aimed above all at promoting the transfer of new proposals and impulses from the bottom to the top. The idea is to continuously supplement and extend the system by including new questions. The experiences made up to now are described as extraordinarily positive; "the feedback is very good". In order to be able to monitor this, so-called "transfer controls" are carried out by the department of initial and continuing training.

In connection with the implementation of MIS, first of all the book-keeping department was externalized to the compound central office. Thus, the stores can concentrate fully on marketing, merchandise presentation and sales. With respect to the application of this system to all merchandise sectors, the managing direction's and the staff committee's estimates differ. While the managing direction, and also the central department of informatics, are convinced that there are no more fundamental problems left, the staff committee sees great and insurmountable difficulties, especially within the sectors which supply a rapidly changing range (textiles, perfumes). The discontent of the employees is also at its strongest here, since there is partly a feeling of being overwhelmed by the requirements (typing into the terminals, which operate

according to certain, sometimes chronological rules).

With regard to training, however, no special problems were described. In this connection, the times calculated for the training within the retail sector, range from several hours to two days, depending on the target group. Aside from this, the knowledge so acquired is repeatedly refreshed.

The total duration of the employees' training times per annum cannot be given. It is emphasized, however, that there is an upward trend. This is also from the viewpoint of exploiting more strongly the employees' productive and creative potential. Furthermore, the recently developing demand of the employees, to be better and more comprehensively trained and to obtain information and stimuli reaching beyond everyday working life, can be granted.

4. Hertie - Frankfurt

General information

Compared with the Hertie store in Mannheim, "Hertie Zeil" in Frankfurt/Main is far larger. The Hertie store at the "Zeil" with its 1140 employees ("head-count"), with more than 33,000 square metres of sales area and approx. 130,000 articles is the third largest Hertie store in Germany - after "KaDeWe" in West Berlin and the "Alsterhaus" in Hamburg. Aside from this, the location on the "Zeil" which is the largest shopping area in Frankfurt, and indeed one of the largest shopping areas in the whole of Germany, is another feature of this department store. Competing with other large department and (specialized) stores in close proximity, Hertie attempts to present itself as a "department store with an exciting atmosphere" and as a store of "superlatives".

Thus, particular emphasis is placed on the special quality, even exclusiveness of the range and the widely diversified range. For example, the store owns the "largest sales floor for media and technical equipment in Germany", "14 brand-name shops" have been integrated within the clothes departments and so forth. Altogether there are nearly 50 smaller shops (e.g. jewellers, opticians), pedicure and hairdresser's salons and other service enterprises housed in the store as "cooperation partners".

Here the management points out the "character of excitement" regarding shopping even more distinctly than in the branch in Mannheim. After all, with reference to the special clientele in the

centre of Frankfurt, much effort is made to develop a particular philosophy pointing out that the sale of articles should only be regarded as one part of a more extensive act of communication with the potential customer.

So, additionally, the customer is provided with services of all kinds (from theatre-ticket agency, make-up studios, travel agencies up to banking facilities and repair shops) as well as different "cultural attractions", e.g. celebrity autograph sessions.

This internal philosophy is also passed onto the employees who are then supposed to appear to the customer in accordance with this philosophy.

Organigram and occupational structure

The management of the store consists of one managing director, two managers for the merchandise sector (responsible for sales and marketing, customer service, displays, etc.), a personnel manager responsible for matters concerning personnel and training and a managing director for the organization.

On the next hierarchical level below the management are the heads of the departments who, at the same time, act as purchasers. The fact that these two functions are not divided, but covered by one single person, represents one of the particularities of this store. The advantage of this staff combination is that the same person who purchases is also equally responsible for the sale of the goods. This is regulated in another way in those stores where the purchasing department is already centrally controlled by the integrated merchandise information system. The site studied in Frankfurt, however, has not yet been integrated, except for a few departments.

The consequence of the importance of the position assumed by the heads of department/purchasers in this store is that the position of the deputy departmental manager also has to be strongly filled since they have to act as deputy-heads of departments.

According to the size of the departments, there are junior managers on the next level, who are responsible for the sub-departments, e.g. for the tennis shop within the sports department which is one of the largest departments within the store.⁵¹ A more detailed breakdown of the occupational structure is not available.

The number of employees amounts to 1140 altogether, that means a total of 840 expressed in terms of full-time employees. This includes the 90 apprentices who are mainly being trained as

⁵¹ The staff committee informs that, in their experience, the number of deputy departmental managers and of junior managers has been decreasing with the introduction of the merchandise information system. Therefore, the number of employees on the middle management level is still comparatively high at the site in Frankfurt.

retail salespeople, whilst there is a much smaller number of those being trained as clerks and window-dressers.⁵² Since 1990, the two-year training to become a shop assistant is only offered in explicitly exceptional cases. In addition to this, there has been the possibility for one year now to train as a commercial assistant. Within a compound system comprising other enterprises in the Frankfurt retail sector and the employment office, a "Frankfurt model" was elaborated providing "Abiturienten" with an occupation based on a three-year training at the end of which they obtain a leaving certificate which is officially recognized.

The special recruitment problems in Frankfurt appear worth mentioning as an important particularity. Apart from the recruitment problems which can be found everywhere within the retail trade, there is another reason in large cities such as Frankfurt for the difficulty in finding adequate sales personnel: the above-average costs of living, especially rents. An apartment within the city centre of Frankfurt has become too expensive for the majority of the employees. This is a factor which adds to the comparatively low attractiveness of sales occupations within the retail trade: low wages and unfavourable working hours.

The consequences of this also affect the store's training efforts, with respect to initial and continuing training. In the following we will concentrate particularly upon this aspect, in order to avoid repetitions concerning the organization, concepts and philosophies of continuing training which are applicable throughout the whole of Hertie.

Particularities of initial and continuing training at Hertie Frankfurt

First of all it should be pointed out that the percentages of apprentices with a "Hauptschule" qualification increased drastically last year: 85% of the newly employed apprentices have this leaving certificate. Only 15% reached a higher qualification grade, whereas formerly the ratio was approximately 50:50.

Also the percentage of foreigners increased noticeably, a factor which – in the view of the staff management and the staff committee – can be interpreted as a sign of the decreasing attractiveness of this profession to German applicants: in autumn 1991 the amount of foreigners amounted to 30%, but it should be taken into consideration that also the general percentage of foreigners in Frankfurt, amounting to 23 or 25% altogether, is very high.

Thus, within the current training year it was only just possible to recruit the desired number of apprentices. In view of the relatively high migration rate following training, this must be regarded as a serious situation. Of the 40 or so apprentices recruited every year, 5 or 10 move to other sectors each year. Those from a "Hauptschule" are enticed away by the banks in particular, who practically only train students from "Realschulen" and "Abiturienten" themselves, and can offer the fully trained retail salespeople more attractive working hours and pay 300 or 400 German marks more.

Just as serious is the fact that – as a result of the higher qualified school leavers' turning away from professions within the retail trade – the range of junior employees suitable for higher positions within the company decreases. Young people from the "Hauptschule", often do not believe themselves suitable for this promotion or are regarded as unqualified. The solution of filling management positions more "from outside", should, however, not become the rule, since those who have been trained for the profession of a commercial assistant, for example, and then immediately are assigned to the level of a deputy departmental manager do not have the necessary professional experience. The management and the staff committee agree that the traditional career moves should continue to play an important part. The personnel management aims for a ratio of 10 external to 90 internal people. For the future, however, this means devoting more attention to school-leavers from a "Hauptschule", in order to motivate them to continue their internal vocational qualification.

Increasing attention is also being paid to students for retraining and "switch-overs". This refers to those who started their occupation on the basis of a qualification outside the field of their actual profession and were working as "special advisers", where they then proved their ability, e.g. in the photography or sports departments. Provided that they are interested, they first receive a 1-year retraining which emphasizes commercial aspects such as cashing up, economics and so forth. If possible, these people are also recruited for further trainee instruction.

The store's staff management covers the whole Rhine-Main region. In order to fill all the management positions as far as possible internally, it is run on a long-term basis. This "career market" is organized in an open and transparent manner for all those interested in order to have a motivating effect on all potential aspirants.

⁵² The fact that – in contrast to Mannheim – clerks are still being trained in Frankfurt, is due to the fact that the store has not yet been connected to the integrated merchandise information system.

According to the personnel management and the staff committee, the importance of continuing training as a whole has clearly increased in the course of these developments during the last few years. The personnel manager names an average of approximately 16 hours per employee and year, without, however, being able to calculate this on the basis of a statistical examination.⁵³

From his point of view, the necessity of continuing training first of all derives from the new work ethic of the young employees which is characterized as a "integral view of the profession" and correlates with an increased need for the acceptance of the individual personality. Thus, general debating skills which do not necessarily only apply to the narrow retail sector, and qualifications covering several professions are very much in demand. Qualifying measures concerning the development of the whole personality are becoming more important and thus are making new demands on the continuing training sector.

The training department is not only meeting this demand by arranging its own training, but it also facilitates attending other educational organizations (such as the "Volkshochschule", i.e. adult education classes), for example, if this can be considered – in the broader sense – to be promotional. One example given is English lessons, which are, however, not paid for by the company, but supported by way of agreements concerning the individual working hours so as to enable the people to participate (the lessons normally start as early as 6 p.m.).

Summary

Taking the Frankfurt store as an example, this case study clearly shows how an attempt is being made – on the basis of a centrally developed policy of

continuing training and the nationwide application of principles of continuing training – to increase the attractiveness of this profession by means of continuing training and to take into account the modified way the young employees see themselves professionally. This at least means the start of a reaction to a problem which will only become as serious at the other locations in a few years' time.

On the company level, the innovative concepts aiming at a methodical reorientation of continuing training appear above all worth mentioning. These are currently being tested for the first time at the Hertie store investigated in Mannheim ("TIP"). This system comprising a short, but continuous and practice-orientated exchange of experience by means of daily information and discussion circles, makes it possible to respond flexibly to the different requirements of the particular departments. At the same time, the intention is to find an effective way of influencing the behaviour of the shop assistants. In our opinion, this clearly shows how closely the training courses within the retail trade are related to the attempt to motivate the employees for the good of the company.

Another innovative aspect of this company is the measures for promoting women. This programme, which was elaborated in cooperation with the staff committee, comprises various pledges, some of which are materialistic, to facilitate the combination of a career and a family. At the same time, the intention is to increase access for women to the management level.

Both of these – experimenting with a new method and the programme for promoting women – seem, in principal, readily transferable, since they are not only tailored to suit Hertie.

⁵³ He estimates a sum of roughly 2 million marks a year for the costs of continuing training. This figure, however, can not be broken down further.

Preliminary remarks

The case study of the East Berlin Kaufhof store located at Alexanderplatz ("Kaufhof am Alex") was selected as an example of the special situation of the retail trade and of training in the retail trade in the new Federal states. Therefore the main point is not to depict the philosophy and practice of a major department store group as far as training is concerned, but to illustrate which particular qualification requirements result from these times of change and how these are dealt with. It was assumed – and this impression was confirmed in the interviews – that training in the new Federal states differs significantly from the training pursued in the old Federal states.

Deviating from the principle constantly held in the stores in West Germany, we did not conduct any interviews with the central training department at group level in this case, but concentrated entirely on the store in Berlin.

Interviews were carried out with the staff manager, the head of the training department and the two chairmen of the staff committee.

As all of the seven Kaufhof stores in East Germany were only opened in the second half of 1991, we will refer to that year in our short description of the development of the group, the group turnover and the number of staff, as far as the relevant figures are available to us.

1. General description of the firm

1.1 Main facts. Structure of the firm⁵⁴

Kaufhof is the second largest department store group in Germany. However, the Kaufhof-Konzern [the Kaufhof group] comprises not only the Kaufhof Warenhaus AG [the department store division], but also a number of other companies from various channels of distribution in the stationary retail trade, the mail-order business, the wholesale trade and the service sector. These include, for instance, the Kaufhalle AG (a department store chain offering low-price goods), a chain of specialized markets, discount markets, mail-order houses, travel agencies, the Gastronomie-Service GmbH [catering companies], and so on.

These subsidiaries and holding companies have continually been gaining significance over the course of the last decade: the share of the Kaufhof department stores in the overall turnover of the group amounted to as much as 67% ten years ago; in 1990 it fell to 39%.

The board of the group consists of five people: the chairman, a head of purchasing, one sales manager, the staff manager and one of the heads of the organizational unit of all Kaufhof holdings. In mid-1987 the management structure was reorganized, which led to a formal devaluation of the department store sector which had previously had special status as "a cornerstone of the group". Since then it has been integrated with equal importance into the number of other retail and service companies (Wirtschaftswoche No. 23, 1987, p. 64ff.).

Since January 1st, 1989 the group has been subordinated to the "Kaufhof Holding AG" which acts as a management holding for the trade and service group.

The registered headquarters of the Kaufhof group are in Cologne.

On June 30th, 1991 the group owned 758 outlets, 136 of them in the new Federal states and 66 stores in other European countries. The group's total retail sales area amounted to 1,526,000 square metres with 162,300 square metres located in the new Federal states.

In 1990 and 1991 the Kaufhof group realized an increase in turnover of 13% (21% in the first six months of 1991). In the 1990 business year, turnover amounted to DM 14.7 billion, (in the first six months of 1991 DM 7.7 billion). The stationary trade had a share of DM 10.8 billion and DM 5.6 billion respectively.

In 1990 the retail section of the Kaufhof group had a market share of 2.2% in West Germany in the "department-store-relevant" turnover.

The Kaufhof Warenhaus AG had 73 stores in West Germany in 1990, 7 were opened in the new Federal states in 1991.

1.2 Brief history

Kaufhof is the oldest department store group in Germany. The first store was opened by Leonhard Tietz in Stralsund in 1879. In 1891 the first complete department store belonging to the Tietz company was opened in Cologne. This is still the largest Kaufhof store and is considered the "flagship" of the company.

Kaufhof was the first of the big four department store groups to start restructuring and adapting when department stores experienced a marked decline in turnover in the 1970s. All department store groups considered 1981 as "one of the most

⁵⁴ Unless stated otherwise, the majority of the information and figures in the following is taken from the "Geschäftsbericht der Kaufhof Holding AG 1990" (Köln, Mai 1991) [the Kaufhof annual report 1990, Cologne, May 1991] and the "Zwischenbericht zum 30. Juni 1991" [the interim report of June 30th, 1991] published by the Board of Kaufhof Holding AG.

difficult years of the post-war era". They reacted with redundancies, the streamlining of the range of merchandise and a new organizational structure.

In the course of the 1980s, particularly from the mid-80s onwards, the structure of the group was consistently modified with the aim of diversifying the pure department store business in order to create a general trade and service group. According to the chairman of the board, a "double-strategy" was pursued here: "a reconstruction of the department stores and a pushing forward with diversification" (manager magazin 5/87).

In contrast to other department store groups, Kaufhof was particularly concerned not to close down any of its stores, in order not to be forced to give up its sales area, especially at sites in city centres. The traditional department store offering the whole range of merchandise was replaced by the "selective department store" which did not necessarily offer the whole range any more, but which only concentrated on certain sections of the range according to the different local requirements. In this way "sports floors" and "media floors" and the like were established, which partly work according to the principle of a discounter. In many cities, the food department was turned into a "market hall" based on the principle of letting the sales area to several different shops.

Furthermore, in the course of the last 10-15 years, numerous stores have been redesigned, some even completely reconstructed, with a view to new, attractive types of offers and to shopping as an event.

In the mid-1980s the implementation of a computer-controlled, integrated merchandise information system (MIS) was started. Up to now, however, not all stores in the West have entirely been converted to this system. For the time being, the stores in the East still work with the MIS taken over from the former Centrum-Warenhäuser (Centrum department stores), which was modified to meet current Kaufhof requirements.

The year 1990 brought for Kaufhof, too, a significant increase in turnover (the annual report for 1990 speaks of "the largest increase in 20 years"). For the first time, turnover exceeded DM 14 billion (cf. above, item 1.1.). The turnover of the Kaufhof Warenhaus AG, too, increased after years of stagnation, which is attributed, in particular, to the purchases made by East German customers.

For the first six months of 1991 the Kaufhof Warenhaus AG shows a turnover of approximately DM 2.7 billion, corresponding to an increase of 5.2%.

Since 1991 Kaufhof has shown increasing commitment in the new Federal states, too. In the department store sector, Kaufhof took over 6 of the total of 14 former Centrum department stores (the other department stores were sold pro rata to Karstadt and Hertie).

1.3 Human resources

In mid-1991 the Kaufhof group had 55,100 employees, 7,450 of them in the new Federal states. At that time, the Kaufhof Warenhaus AG had a staff of 23,876 (calculated on the basis of full-time jobs), i.e. an increase of approx. 700 in comparison to the previous year.

In 1990 the average age of all employees in the Kaufhof group was 39.6 years, with the average length of employment being 10.4 years. The percentage of female employees amounted to 72%. These data on the structure of personnel have hardly changed in recent years.

The percentage of part-time employees amounted to 27.7% in 1990.

The commercial section employed 18% of all employees. Thus, the majority of staff worked in sales and administration. However, the number of employees in administration decreased due to the introduction of the merchandise information system (no exact figures available).

1.4 Training policy

At the end of 1990, 3,255 people were doing their initial training with the Kaufhof group. 61% of them were training to become a retail salesperson. A total of 11 professions were on offer.

Forty-five students who had taken their "Abitur" exam were on a combined training of studies and practical vocational training at the vocational academy in Baden-Württemberg. In this way they qualified for executive tasks in the Kaufhof Warenhaus AG.

However, Kaufhof is making efforts to recruit executives from its own ranks. Only in the case of exceptional bottlenecks are executives to be hired from outside the group. It is regarded as one of the basic philosophies that any apprentice "can work his way up to become the managing director". The promotion of junior staff and of executives is thus - in addition to the sales training - considered to be a focal point of in-house training.

The steps of promotion (junior manager, deputy departmental manager, head of department) are regulated similarly to the other department stores (cf. the case study on "Hertie").

However, Kaufhof differs in its formation of "support circles" ("Förderkreise"). These support circles, open for everybody who has successfully completed the initial training, are considered as the basis for the training to become a junior

manager. Participation is voluntary, but in contrast to the rules at Hertie, for instance, these courses are open to anybody who is interested. This means, people do not have to be proposed, but can decide for themselves. All the participants receive a plan, as well as documents and material to enable them to continue the training themselves. Thus only part of this course takes place during working hours and it comprises a considerable amount of individual studies. The question as to how much time each individual spends on this training measure is similarly not regulated by the company.

The course ends with an in-house examination. Whoever passes this examination successfully may – if there is sufficient demand – be employed as a junior manager and thus creates the basis for further training to become a deputy departmental manager. The contents and the certificate of this measure, too, correspond to internal Kaufhof requirements.

Further emphasis within this training is placed on the qualification of sales staff. The main point here is to impart merchandise knowledge, to employ computer-controlled merchandise information systems and to improve the service for the customer.⁵⁵

In general, the contents of the training courses are specified by the Kaufhof headquarters in Cologne. The headquarters' central training department is responsible for the organization of the in-house part of the initial training as well as for continuing training. It elaborates the concepts, offers its own seminars and arranges, for instance, for seminars on merchandise knowledge at the manufacturing firms. The headquarters also specifies the number of apprentices each of the stores has to recruit. Deviations from these numbers are possible in special cases, but have to be individually agreed with the headquarters.

However, for the new stores in the East of Germany there are no such stipulations as yet. Here, at present, the stores themselves determine the number of apprentices to be recruited. Also as far as vocational training is concerned, some new and individual ways have been found.

2. A closer look at a particular store (outlet): "Kaufhof am Alex" in East Berlin

2.1. General information

The present Kaufhof on Alexanderplatz in Berlin was the largest of the 14 Centrum department

stores in the former GDR. The store was taken over by Kaufhof on January 1st 1991 and was re-opened on July 1st 1991 with a new Kaufhof structure. In contrast to the stores in the West of Germany, the outlets in the East are not directly answerable to the Kaufhof Warenhaus AG, but still operate as independent subsidiaries.

The question as to which of the West German department store groups was to take over the former Centrum department stores was at first the subject of a long debate following the opening of the border. After the former Generaldirektion (the central executive board), which had been in charge of the Centrum department stores in the GDR, had started negotiations for the Karstadt group in the West to take over all the stores, the two Berlin department stores left the group on their own initiative.⁵⁶ Under the name "Zentrum" they formed independent private limited companies and wanted to go their own way. At this time the Treuhandgesellschaft, the institution in charge of privatizing state-owned companies in East Germany, had already decided that not only Karstadt, but also Kaufhof and Hertie had to be included in the negotiations in order to prevent Karstadt monopolizing in East Germany.

The staff of the "Zentrum" department store at Alexanderplatz elected their managing directors and their representation of interests (the present staff committee) themselves. The aim of this action was to obtain a right of co-determination in the question as to which West German department store group was to take over their store. The representation of interests at that time wanted the new owners to guarantee, above all, that no employees would be dismissed. It examined the economic situation of the three groups, as well as the fringe benefits they granted to their staff, and presented its priorities on the basis of this research. In a crucial ballot, the employees decided in favour of Kaufhof as this was the only group which was prepared to give all employees a written guarantee of their jobs. A further consideration was the fact that the Kaufhof group was particularly interested in this location because it had not had any department stores in Berlin until that time. Thus, the staff hoped for an extra commitment from which they wanted to benefit, too. The present store management confirms this point of view among its staff by underlining that it, too, regards the location as having particular strategic significance.

However, the ultimate decision about the distribution of the former Centrum department stores among the West German groups was taken

⁵⁵ This field also covered the majority of topics offered. According to the annual report for 1990, 15,404 employees within the overall group participated in a total of 1,453 in-house training measures.

⁵⁶ The second department store "am Hauptbahnhof" (at the central station) was later sold to the Hertie group, which owns several department stores in the East and in the West of Berlin.

by the Treuhand which, following the employees' decision, also decided in favour of a takeover by Kaufhof.

Kaufhof acquired the store in February 1991 with retroactive effect from January 1st. In April, extensive reconstruction work started, which was completed in June. The specific aim of this restructuring was to extend the sales area, to repair and update the technical equipment, to modernize the interior and the exterior of the building in order to make it the most attractive and the largest supplier at this site. In particular, the old store rooms and the side rooms on each floor were removed to increase the sales area from 5,500 square metres to the present 20,000 square metres. Moreover, the range of merchandise was extended and modified with regard to the range of goods specific to Kaufhof.

In contrast to the outlets in the West, the purchases of which are almost exclusively handled by the Cologne headquarters, the stores in the East have more room for decision. This is, on the one hand, due to the fact that the network of merchandise information systems is still not completely developed, and, on the other hand, because the range of goods still has to be determined and developed with specific regard to this location. The question as to which product range and which level of prices will be accepted by the local customers still has to be tested. Thus, there is a higher number of products from the East on offer here, products which normally do not belong to the Kaufhof range. Furthermore, the overall level of prices is lower than in the Western part of Berlin. This is also considered as one of the reasons why the turnover realized in the store "am Alex" so far has exceeded all expectations.

2.2 Organigram

The store has two managing directors, as well as a head of the administrative department and a staff manager, all on an equal level. The personnel office and the training department are affiliated to this. At present all executive positions are occupied by Kaufhof executives from the West, who are in charge of the development in the East for approx. 1 1/2 to 2 years and who will then be transferred back to their old positions. By then, people from the East, if possible members of the former department store staff, should be able to assume these tasks themselves. They are prepared to this end in seminars in West Germany and in practical instruction on the premises (see below, item 2.4.).

Therefore a departmental head from a Kaufhof store in the West is working in the *training department*, for instance, to instruct two designated female successors. They already are jointly responsible for the realization of in-house training and hold examinations, etc. By the middle

or the end of 1992 these tasks are to be their sole responsibility.

There is a *staff committee* of 15 people, three of whom are granted leave from work. As the Kaufhof stores in the East are run as independent subsidiaries of the group, i.e. they operate relatively independently, there is no overall staff committee for the whole of the Federal Republic, only still the one overall staff committee for the outlets in the West. Cooperation does exist to a certain extent, but there is no common umbrella organization. The staff committees from the Kaufhof stores in the East meet approximately every three months to exchange experiences. In addition, individual provisions have to be made for each of the stores. The staff committee at the "Kaufhof am Alex" concluded 32 works agreements with the management in 1991 alone – in comparison to the other stores in the East as well as in the West, this is an extraordinarily high number.

2.3 Human resources

At the time of takeover (at the beginning of 1991) the number of employees amounted to 1,870. At the end of 1991, at the time of our interviews, this number was down to 1,366. There are 200 male employees. In addition to this, there are up to 170 temporary staff at peak times (e.g., the Christmas period).

The number of staff was reduced without dismissals: according to the staff committee, more than 400 employees left the company for age reasons (the retirement age in the former GDR was much higher than in the Federal Republic and could be prolonged at will). Furthermore, the company offered the employees early retirement at the age of 57. In this way the average age of staff has declined from over 44 years to 37 years. Furthermore, there was a migration of staff to West Berlin, where regulations on working hours are more favourable (37.5 hours per week as opposed to 40 hours) and salaries are much higher.

There are 360 part-time employees. At the time of our interviews 836 employees worked in the sales department and 530 in the non-sales departments.

In this way several *changes in the structure* of personnel have already been realized: in the former GDR almost as many employees worked in the sales departments as in the non-sales departments and there was hardly any part-time work.

These changes in the structure of personnel who were originally simply taken over from the "Zentrum" department store, have so far been conducted exclusively on a voluntary basis. This means that neither the shift of personnel from

the administrative departments to the sales departments, nor the transformation from full-time work to part-time work was forced by the management. On the contrary, the management attempted to make attractive offers, some of which were accepted by the employees; however, not yet as many as targeted and desired by the management. The present ratio of employees in the sales and non-sales departments is, measured against Western standards, still disproportionate. The management aims for a ratio of 80:20, but in the medium term at least of 75:25.

The ratio of full-time to part-time employees also does not correspond to Western standards.

Therefore, further, even more serious changes in the structure of the personnel must be assumed. However, it is one of the peculiarities of this store that the staff committee has been making efforts from the very beginning to make these changes, which it also considers as inevitable, as tolerable as possible from the social point of view. For this purpose, a number of works agreements have been concluded between the management and the staff committee. Furthermore, in this way the staff committee is trying to take over the regulations valid for the Kaufhof stores in the West, in so far as they seem favourable, or to modify them accordingly, i.e. it tries to go its own way. Thus there is a written agreement to the fact that there must not be any operational dismissals until January 1st, 1993. The agreement that the daily working hours of women with small children can be adapted to the opening hours of kindergartens (which close at present at about 5 p.m.) is valid until summer 1992. A further agreement regulates the working hours of part-time employees as well as the equal status of part-time and full-time employees with regard to the fringe benefits granted by the company and training measures (expires at the end of 1992). There are also individual agreements on other fringe benefits, such as on canteen food, company pensions, etc., as well as on the distribution of working hours and the days off work (here it is stipulated that each employee is entitled to one free weekend a month).

The staff committee and management agree on the estimate that the high number of single mothers in the company – as well as in the whole of the former GDR – will be one of the largest problems in the near future. These mothers still have the possibility of coordinating their own working hours with kindergarten opening hours thanks to the aforementioned works agreement. However, this agreement expires in summer 1992. By then, the employees are supposed to have found "individual solutions". But, since it is already clear that kindergartens are reducing their opening hours, i.e. closing as early as 4 p.m., and that some of these will presumably have to be closed for good, a high number of problem cases in the near future is inevitable. The young women

assume that part-time employment will not earn them enough money to support their families. Furthermore – in contrast to many of their colleagues in the West – there are no well-developed structures which would permit them to organize private child care. Moreover, the women are not accustomed to having to combine a career and family for themselves.

2.4 Training policy

Of course, initial and continuing training measures are closely linked to the particular situation of restructuring in the East German trade. As in the West, there is adaptive and promotional training, but the prerequisites for participation and the contents are tailor-made for the special qualification requirements of the employees in this store.

At present there are three groups of apprentices:

- 70 young people are doing their initial training; four of them are learning the profession of a window-dresser, the rest are training to become a retail salesperson. A training course to become a clerk is not offered yet, as there is still too high a surplus of qualified office personnel.

In autumn 1991, 20 new apprentices started their training, 30 are planned for 1992. But problems in the recruitment of new apprentices have already started to emerge. The head of the personnel department attributes these problems primarily to the proximity of the more attractive training places in the Western part of Berlin. At other East German sites such problems have not occurred as yet.

- The second group consists of 30 adult retrainees. Their training takes two years – analogous to the vocational training in the Dual System for young people, but shortened by one year.

- A third group of apprentices consists of those people who undergo their four to eight-week qualification in a store within the framework of employment schemes. These schemes involving between 20 up to a maximum of 28 participants are organized by the HDE (Central Association of German Retail Traders), financed by the employment office and carried out by the companies. There is no formal final examination, simply a certificate confirming participation.

The sales personnel employed in the outlet have been offered several different training courses since the summer of 1991. This qualification of the staff had been agreed upon in principle by the management and staff committee, but not with respect to the contents of the training. From the point of view of the training department, there were three steps in particular to be clarified: Kaufhof as the new owner and the new structure of the store had to be presented, the level of

knowledge of the personnel had to be investigated and the new training programmes were developed on this basis. Here it became clear that the sales assistants educated in the former GDR certainly had no lack of basic knowledge; therefore qualification could start "on an advanced level" (the staff committee). Training requirements basically referred to certain fields of merchandise knowledge, above all, in relation to new ranges of merchandise and to sales training: sales philosophy and thus the sales personnel's conception of their profession, now definitely differ from the standards which applied in the "former Centrum department store". According to the head of the training department, the main difference lies in the fact that previously the task was "to distribute merchandise" whereas now it is "to sell merchandise". Here there was not so much a lack of sales arguments ("in theory everything was there") but rather the actual adjusting to approaching customers and encouraging them to buy something.

These areas of practical behaviour and of sales motivation are obviously the most difficult ones, because they call for a change in the attitudes of the employees themselves, which they themselves do not consider absolutely necessary. Therefore the statements made by the training department and the staff committee tend to differ. While the staff committee rather emphasizes that previously, too, solid knowledge was indispensable and available for employment in retail, the training department gives priority to the creation of a basis for a changed attitude towards "selling".

Against this background, in 1991 all the employees in sales were offered three training units; the training department encouraged participation, although it was not necessarily compulsory. However, the courses were scheduled in such a way that everybody had the opportunity to participate during their normal working hours. Each one lasted between 1½ and 3½ hours and dealt with the following topics: presentation of Kaufhof as the new owner, an informative course "from distribution to sale" and motivation courses. The first two courses need to be considered more as introductory seminars, whereas the motivation seminars come closest to the training courses as they are customary in the West. It is planned to continue this type of event over the next few years with the main themes changing. Up to now these courses have focused on the sales conduct of sales assistants (according to the motto "show your sunny side"), the friendly appearance towards customers, new forms of approach, as well as a sense of achievement and the self-motivation of sales personnel. These courses have met with the greatest interest among staff so far.

In comparison to the corresponding seminars Kaufhof offers in the West on the topic "behavioural training", more traditional methods

are employed in the East: the use of games and role plays, customary in the West, is based on many years of experience in sales, which cannot yet be taken for granted in the East. In this respect, no fresh impetus can evolve from the methods used.

In addition, seminars in the field of merchandise knowledge for sales representatives were held by interested companies within the framework of the daily morning briefings. All employees could participate in them and were supposed to do so, whereas the comprehensive seminars on merchandise knowledge offered externally by some manufacturing companies (in the form of day seminars) were only available to 2 to 3 participants at a time. Here there are still difficulties concerning organization as Kaufhof was not represented in Berlin until now.

The head of the training department points to a further, general problem caused by the restructuring of the store on the one hand (the reduction of storage space on the individual floors, the lack of a central storeroom and - in this connection - considerably more work before and after the sales than in the West), and on the other hand by the unexpectedly high number of customers preventing the sales personnel from participating in training measures. Most of all there is no time to reflect on and translate the acquired knowledge in peace. This might possibly also impair the desirable "side-effects" which were also supposed to be achieved by these qualification measures: an improvement to the working atmosphere - which many employees consider to be "colder" and "more impersonal" since the political changes - and the formation of a new basic understanding of "the market economy" and of the principles of free enterprise.

Finally, it seems important to refer to the fact that there are no specific qualification measures for the administrative staff who have transferred to the sales department. These employees participate in the same training measures mentioned above as the "old" sales personnel. In this connection, the staff committee points out that these are almost all qualified sales assistants who, in the former GDR, moved from the sales department to administration.

The administrative staff were also offered some training measures, but these were of an introductory nature. Here, the main point was to present the new official forms and to update the merchandise information system which was essentially taken over from the former Centrum department store. However, it is not planned in the foreseeable future to convert this merchandise information system into an integrated system combining stock-keeping, labelling of prices and scanner cash tills. Therefore, there is no greater need for qualification in this respect.

In principle, *promotional training* is structured in the same way as in the Kaufhof branches in the West. But there are some significant differences, too, which mainly result from the fact that, in accordance with the agreement, all the executives were taken over from the "Zentrum"-Warenhaus with its former structure. Each of them, from the junior manager to the head of department, has the opportunity to reach the Western standard by participating in the relevant training courses. They were given the guarantee that they could return to their old jobs afterwards. However, this does not necessarily guarantee that they will be assigned their old position again in the long term. This is dependent on a period of practical evaluation and proving one's worth.

The 20 heads of department were prepared for their new tasks in Western branches for 7 months. They also participate in the corresponding seminars for executives and attended the assessment centre. At the end they take an examination, which is also the criterion for assessing their later assignments. During their absence, the heads of department are replaced by Kaufhof executives from Western branches who will also be in charge of familiarizing them with their new tasks in practice on their return.

The 40 employees training to become a *deputy departmental manager* were trained by the internal training department (main subjects were the principles of merchandise information and instruction in leadership). This course ended at the end of 1991 with a theoretical examination. The practical familiarization in the department is done by the head of department. This is complemented by a third element, an approx. six-week assignment in branches in the West.

The *junior managers* were also trained internally by the training department. The topics are similar to those for the deputy departmental managers, but are not dealt with in so much detail. This course, too, ends with an internal examination.

At present 35 employees are training to become a junior manager, 20 of whom have not held this position before, but are participating for the first time in promotional training. A basic prerequisite for participating was being prepared to move to possible future places of assignment. Executives – according to the head of the training department – could not always rely on staying at the same location. From his point of view it was therefore impossible for part-time employees to be promoted to executive positions, although this would be conceivable on the basis of the relevant works agreement, as the staff committee points out. This part of the promotional training is considered among the Kaufhof group as being an important first step in building up new executive staff in the new Federal states in the East. In this respect, the motivation on the part of the employees to take

part until now is described as "rather reserved". In view of the resulting possibilities for a career within the group, the staff committee, too, would have expected a much larger response.

3. Summary

Vocational training, as depicted in this individual case, represents an example of how the problems resulting from restructuring and transition in the new Federal states of the Federal Republic of Germany are being dealt with. Because of the short period of time available for training until now and because of the specific restructuring requirements and the additional constellation of problems for the management on the one hand, and the staff and the staff committee on the other hand, it seems difficult to draw any conclusions as yet. Therefore it is also too early to consider the extent to which the experiences can be transferred to other Federal states, as there is no directly comparable situation. No exact indications can be made as to the costs of training, as there is still no independent accounting for initial and continuing training, while this field continues to cooperate so closely with Western departments, as is the case in this period of development.

The training courses open to employees contain the self-portrayal (philosophy) of the company and – in this connection – behavioural training in dealing with customers. Added to this is technical instruction: introduction to the new cash-till systems, accounting, merchandise knowledge, etc. Thus, these training courses mainly resemble the introductory courses for new employees, as are customary in all the companies we surveyed.

However, we attach much importance to the observation that vocational training has a slightly different status than in the West. Apart from the preparation for or adapting to new, directly occupational requirements, it also explains the Western principles of sale, even of management on the whole, to convey the basic operational and executive principles and to contribute altogether towards the creation of a new working atmosphere.

Here it is interesting to note that the urgent problems caused by the change in attitudes and in sales conduct, are treated primarily as subjects in continuing training. Therefore measures to improve qualifications are granted an exceptionally high status – and that is not so much in a technical respect (such as merchandise knowledge and technical restructuring) – but rather as far as company policy and work psychology are concerned.

On the executive level, too, all qualification measures are more directly related to the question of practical application and their usefulness in the workday routine than is the case in the West.

1. General description of the firm

The company investigated, a medium-sized enterprise within the retail trade of outer garments, consists of a chain of specialized textile stores. At the time of the interviews, there were 33 branches with approx. 2500 employees altogether, and an upward trend: the aim is to increase the number of branches during the next few years to about 50, as part of which branches at unprofitable sites have already been closed or will have to be closed in the near future. This expansion is throughout the whole territory of the Federal Republic and will very soon also include the five new Federal Laender.

Company D developed from a family enterprise; and now is a limited partnership. Over the last few years there have been several changes concerning the share holdings of the enterprise. Nevertheless, these changes did not affect the business philosophy in principal nor the style of management. This means that, in this respect, there were no major changes for the employees.

Organigram

The head of the enterprise is formed by a corporate management of two people. Below this is the management: three heads of purchasing departments are responsible for centralized purchasing. Directly assigned to them are the managing directors of the three regions into which the Federal territory is subdivided (one for each of the north, the south and the west of the Federal Republic). These regional managing directors are responsible for the coordination between the central office and the single branches, although they do not represent an independent management level between the central office and the branches in an organizational way. The heads of the branches are assigned to the regional managing directors as instructed.

The staff sectors – organization, EDP, personnel, controlling and merchandise information – are directly assigned to the corporate management. One of the responsibilities of the personnel sector is the central department for initial and continuing training, which is responsible for the development of training programmes within the sector of initial and continuing training and partly also for the realization on site (for details see under item 2: training policy).

Changing strategies of the enterprise during the last 5 years

About 3 1/2 years ago there was an important modification to the company philosophy which was not due to the changes in ownership, but was

caused by staff changes on the level of the marketing heads. Since then, "productivity" has become the "new slogan". This means that since then the optimization of profits has become more explicit, i.e. the optimization of the ratio of the enterprise's costs to profits. In this connection, it was agreed, for example, that the strength of the personnel in each branch could be measured by the average value of the per capita turnover. That means that every employee ought to sell approx. 500,000 German marks worth of goods each year – taken as the statistical average. The same figure is used by the central office in determining the number of employees to be employed at each branch.

Using this average value the efficiency of the branches is measured. All the departments of the single branches are subject to this central comparison which correlates the sales on a daily, weekly and monthly basis. Thus, above-average turnover losses or rises can be registered very quickly. Each salesperson has a share in the personally effected turnover, granted in the shape of a commission.

Another modification to the business strategy is the change in the range of goods and/or a greater specialization within this range. Faced with the relatively tough competition in the textile market in the Federal Republic, the enterprise – like many other textile stores – tried to appeal to a more distinct group of clients, and D has been specializing in a range of higher quality and price level for the last 5 years.

As purchasing is organized by the central office, there are only very few regional differences, with the result, however, that the possibilities of gaining a special status above the competitors at the same location are restricted, too. The organization of price fixing, including special offers and publicity campaigns (e.g. brochures in regional newspapers, etc.) are also almost completely carried out by the central office. The consequence of this is that the financial freeplay and, generally, the scope of the single branches in trading are very limited. Essentially their task is to ensure the relevant presentation and labelling of the goods, to take care of the stock and to sell.

Nevertheless the centralized management structure is trying to organize the distribution, from the purchasing department to the stores at each location, in a form more transparent for both sides, and to react as quickly as possible to the specific regional particularities. In this connection, the regional heads act as a sort of link between the central office and the branches; there are three of them for each range, responsible for the northern,

⁵⁷ Within the scope of this case study, we carried out interviews with the head of the central department of initial and continuing training, the managing director of a store, one chief instructor at this branch and the chairwoman of the staff committee of the same store. The latter is also the spokeswoman for the central training committee.

western and southern regions. Their main task is to transfer information about consumer behaviour, the competitors' offers, experience made by the sales personnel on site, etc. "upwards" from the branches and – in the other direction – ensuring that the central guidelines are respected. However, as this type of reciprocal information is comparatively slow and subjective, the installation of an *integrated merchandise information system* (MIS) is intended to help. This system is expected to bring about radical improvements in the dissemination of information, which is expected to become more comprehensive, more precise and quicker. Besides this, the intention is to make it possible for the branches to transmit special demands and suggestions in a more specific way.

The installation of the MIS should be completed within 2 or 3 years and include each branch. There has already been a merchandise information system until now, but this is not an integrated system, only related to the distinct sectors, and not to the branches as a whole.

Human resources

With regard to the company as a whole, there is no data available showing the developments in staff and structural characteristics.

Nevertheless, we are able to gather some information about working conditions, working hours and special works agreements from the staff committee⁵⁸ which is also represented in the enterprise's general staff committee.

According to these statements there has been a general decrease in the numbers of employees within the entire enterprise during the last years, mainly as a result of the new company policy. The consequence of this was a turnover increase per capita, but also an increase in overtime on the part of the employees. For this reason, a works agreement was concluded, limiting overtime to no more than 20 hours per month (with a normal rate of approx. 150 hours a month). This agreement applies to nearly all the branches in the Federal Republic of Germany. The staff committee is also trying to reduce the rising number of temporary staff in order to increase the human resources in the shape of permanent staff, where possible on the basis of full-time work. The number of part-time staff has generally been increasing over the last few years. The majority of sales personnel work on a part-time basis.

As a rule, the sales personnel at D have completed a relevant vocational training (with the only exception being the temporary staff). Most of the older employees completed the vocational training to become a shop assistant, that means that they took a two-year vocational training course. Since 1988 only apprentices aiming for the occupation requiring three years' training to become retail salespeople have been taken on.

The absolute majority of the personnel work within the retail sector. There are also some people working within the display sector as well as the apprentices belonging to this occupation (window-dresser).

The number of office employees, however, has decreased disproportionately in most of the branches over the last few years, since most of the administrative work has been centralized. For this reason, in many of the branches (including the one investigated) the relevant vocational training is no longer offered.

In connection with the reorganization of the occupation requiring three years' training within the retail sector, a "*Gesamtbetriebsvereinbarung zur Durchführung der Berufsausbildung zum/zur Kaufmann/frau im Einzelhandel*" ["general works agreement on the realization of the vocational training heading for the profession of a retail salesperson"] was developed by the central department for initial and continuing training and the training committee belonging to the general staff committee. This general works agreement was, after a preparatory period of several years, signed by the corporate management and the general staff committee on October 11th, 1991. This works agreement essentially treats the transformation of the reorganization of vocational training, which has been effective for everyone being trained within the retail sector since September 1988.⁵⁹

In this respect, the following items are of a special importance from the staff committee's point of view:

- The precise regulation of the hours necessary for the apprentices' theoretical instruction within the company. Here, the special importance of the sector "merchandise knowledge" is emphasized.
- The commitment of the company to ensure every apprentice passes through all the departments (as stipulated in the training programme).

⁵⁸ The general staff committee consists of one representative from each of the branches in which an elected staff committee exists. This means 25 out of the total of 33 branches are represented.

⁵⁹ To this extent, there is also an "internal training programme" which regulates in detail which training steps are to be imparted to the apprentices over certain, predefined periods. With this regulation, an important step towards a qualitative improvement to vocational training within this company and sector has been taken.

– A guarantee of continuing training measures for the instructors (twice a year), the timing of which has to be determined beforehand. Furthermore, the preparation as well as the realization of the theoretical training of apprentices is expressly counted as the instructors' working hours and that they are granted additional financial compensation for the lost sales bonus.

– A special point of issue was the staff committee's efforts to introduce a quota on the numbers of apprentices (amounting to "4% of the employees") and to offer them a permanent job within the company on completion of their training.

The last two points were achieved, but in a training and job climate where no longer the training places, but the apprentices are in short supply. As is now the case in the majority of German enterprises within the retail trade, problems regarding the recruitment have also arisen at enterprise D. The importance of these problems, however, differs according to the location.

2. Training policy

According to the head of the department of initial and continuing training, the importance of continuing vocational training has increased noticeably over the last few years. This does not only concern promotional training but also retraining, i.e., that part of continuing training which deals with accomplishing tasks belonging to everyday working life and to the preparation and adaption to technical innovations, respectively.

In view of the increasing problems in finding junior staff qualified for the sales activities within the stores, the enterprise's provision of continuing training additionally has the explicit function of improving this image. Career prospects within the textile retail trade are emphasized more in public now, in order to underline the vocational developmental possibilities within this sector, and especially at D.

As mentioned above, the enterprise has a *central department for initial and continuing training* belonging to the sector "personnel". All training programmes are elaborated and, in the majority of the cases, carried out by this department. This can either happen within the branches *in situ*, or, if there is enough interest in certain courses, at central places, preferably at the enterprise's central office. Another possibility is to train individual participants, e.g. the secondary instructors, from some of the stores and then send them back to the stores as "diffusers".

The department of initial and continuing training has a fixed budget which, generally speaking, regulates the financial limit for training costs. For the year 1991 this amounted to about 400,000 German marks for the sector of initial and continuing training. The largest item was external courses for apprentices organized by the central office, as well as seminars for candidates for the position of a deputy departmental manager and for commercial assistants.

In second place – in terms of the quantitative importance – are the *seminars for executives* (from the junior manager upwards). There is a curriculum for this group which, in 1991 for example, comprised 15 different subjects.⁶⁰ Every executive is allowed to enrol for two seminars (at the most) each year, each one lasting two days. Participation is always coordinated with the superior (i.e. usually the head of the branch).

Other training provisions aimed at *all of the employees within the sales department*, are forms of specialized training within the sector of merchandise knowledge. These can be courses dealing with new textiles or materials, such as "Microfaser" etc., but also dealing with colour analysis, i.e. courses in cosmetics which are intended to improve the advisory service to customers. These are mainly courses lasting one day which are either led by an instructor from the central department of initial and continuing training or by the manufacturers themselves or by external instructors.

In the cash-till sector there are still more training provisions aimed at the sales persons with regard to the modifications within the cash-till system. Some years ago, this was concerned with the introduction of new "mobile data-recording equipment" (Mobida); in connection with the introduction of integrated merchandise information systems there will be an increasing need for training of all the employees within the next years. However, at present there are no preparatory courses.

Finally, within those branches which have recently opened, there is organizational and sales training for the *new employees*. Participation in these courses is obligatory for everyone in order to familiarize themselves with the company's own sales philosophy on the one hand, and the technical equipment (e.g. the cash and administration systems) on the other hand.

Especially in connection with this expansion, but also due to the installation of the merchandise information system, the department of initial and continuing training foresees a clear growth in the

⁶⁰ Examples of these are: "Efficient time management", "Intensification of motivation as a managerial task", "Coping with stress", "Fundamentals of internal communication", "Training of sales staff".

scope of continuing training over the next few years (an estimated increase of approx. 15%).

The head of the department of initial and continuing training at the moment assumes an average duration of about 3 days a year spent on continuing training for the "normal employee".

The access to internal continuing training, in any case, has to be passed by the superior, whose function it is – on the one hand – to inform the employees about the courses available to them, and – on the other hand – to grant participation in individual cases. A special problem, however, exists in the shape of organizational difficulties resulting from the exemption of those employees from work who want to attend courses. This is especially the case with external courses.

Vocational continuing training, if approved by the superior, normally takes place during normal working hours.

Promotional continuing training

In contrast to other enterprises within the retail trade, there have only been a few junior managers at D for some years now. Naturally, there are still differentiations according to the regulations of the collective agreement within the particular sectors, e.g. at the central cash desks, but there are no more differentiations as to qualifications. Instead of this, the career path for salespersons leads directly to the position of a deputy departmental manager. Shop assistants, who have completed vocational training, can apply as candidates for the position of a deputy departmental manager after having acquired at least one year of job experience. The form of continuing training leading to the position of a deputy departmental manager lasts one year altogether and – in all – comprises five external courses of 2 weeks each which take place in the "Bildungszentrum des Einzelhandels Niedersachsen" ("Lower Saxony Training Centre for the Retail Trade"), and several internal courses.

The young people are free to state their interest in this form of promotional training. Enrolment, however, requires the superior's recommendation, i.e., the relevant head of the branch. Part-time employed persons only participate sporadically in such promotional measures. It is not that they are excluded from the continuing training measures as such, but, in principle, only full-time staff are assigned to executive positions.

A second path towards the executive position of a deputy departmental manager, is the three-year training to become a commercial assistant, which for some years now the enterprise has been

offering to "Abiturienten" [secondary school graduates eligible for higher education]. This form of vocational training, directly leading to the middle management level, is also carried out in cooperation with the Lower Saxony Training Centre for the Retail Trade, one of the largest regional training centres within the retail trade.

At present, the enterprise is training about 10 "Abiturienten" a year to become a commercial assistant; additionally there are 10–12 persons each year who are recruited internally and prepared for the position of a deputy departmental manager. The comparatively high number of deputy departmental managers recruited externally is due mainly to the currently large demand for junior executive staff members in the newly-opened branches. Otherwise, there are advantages as well as disadvantages for both paths, internal and external recruitment.⁶¹ Upon successful completion of the training both groups are regarded as having equal status.

3. A closer look at a particular store (outlet)

3.1 General information

The company we investigated is located in the centre of a large West German city. It is situated near a large shopping area which is also frequented by customers from the more outlying districts. In direct competition are, apart from some department stores, four or five specialized textile shops of a similar size offering a comparable range of goods. Thus, the store has to compete for a largely identical clientele.

The store was opened in 1977. It has approximately 2,600 square metres of floor space available and, at the time of the interview (in winter 1991), employed 84 people (headcount). The turnover amounts to about DM 23 million a year. In terms of size and turnover, this is one of the larger branches within the company.

3.2 Employment structure

Among the employees there are:

22 full-time employed staff

(9 male/ 13 female)

46 part-time employed staff

(all female)

10 temporary staff

(2 male/ 8 female)

and additionally 5 apprentices and one commercial assistant in training.

Nearly all the employees work within the retail sector. As purchasing, and therefore also accounting and nearly all the administrative operations

⁶¹ Whereas the "Abiturienten" can be assigned more quickly and more specifically, those recruited internally have the advantage of a better practical knowledge, and thus may be better suited to their executive positions.

are handled by the central office, there is hardly any administration work.

The store has one managing director with two deputies who are at the same time departmental heads. In addition to these, there are three more heads of department within the retail sector (two of them women), as well as 4 deputy departmental managers (3 women, 1 man) and one shop assistant. Within the display sector there is one manager.

Each manager is responsible for the management of one larger or smaller department. One of the heads of department is at same time responsible for training within the store.

The company has a staff committee consisting of five members (every one of them without work exemption).

No exact data is available on the *age structure*. The staff committee's information, however, points to a relatively high average age: according to the committee, the majority of the employees have been working there since the opening of this store; transfers and new contracts were the exception over the last few years, because the *number of employees* has been continuously reduced: while there were still about 150 employees in 1977, the number has decreased to 80 over the last few years. Furthermore, many of the full-time jobs were transformed into part-time jobs. The number of temporary staff has also increased during the last 3 or 4 years compared to the number of permanently employed staff. In the meantime, there are only one or two full-time employees in each department.

In connection with the works agreement mentioned above (see item 1), overtime has levelled off at the maximum of 20 hours a month. According to the staff committee, it was previously much higher.

Here, as in every store, there is a bonus system for the staff in the retail sector, i.e. commission for the goods sold.

From the beginning, part of this bonus has been included in the wages – the same amount for everyone – (the "guaranteed wage" which is a little higher than the standard wage within the retail trade, already includes the payment of commissions). Only those above this average are paid the additional bonus.

Strategies of continuing training

In spite of the generally wide range of continuing training offered by the enterprise mentioned above (item 2), according to the management and the staff committee, participation in continuing training within the company investigated is mainly confined to promotional training leading to

the position of a deputy departmental manager and to seminars for executives. Even these courses are only attended sporadically, according to the staff committee. The staff committee formulates it drastically thus: "For years there has been no more continuing training for the employees here." In addition to this, the central department of initial and continuing training emphasizes that the employees in this branch participate far below average in the enterprise's continuing training activities.

This development is mainly traced back to the strict orders given by the central office concerning turnover and sales figures which hardly permit any exemption from work for the purpose of training. As a result, for some years now a course lasting one or even more days could hardly be authorized. There is no longer apparently any time for training courses lasting a few hours, e.g., those held by the manufacturers. Rather exceptionally, over the last five years staff from particular departments have been delegated to attend manufacturers' courses, for example. To this extent, the participation in continuing training is described as being rather regressive, with regard to the last few years.

Moreover, the staff committee emphasizes that the change in the sales concept has also generally clearly decreased advisory activities such that any insecurities in this field are not necessarily a problem within the retail sector. The proportion of self-service elements in the everyday sales set-up has increased, e.g. by installing "stands for pre-selection" where the customers themselves can decide whether the goods appeal to them or not. If not, they often leave without speaking to a salesperson or being spoken to by one.

In the same way the promotional training to become a junior manager and/or a deputy departmental manager has been a factor of little importance in this branch over the last few years. This situation is explained, above all, by the fact that until recently there was no guarantee of a permanent job after the completion of training; access to a full-time occupation, in particular, has only been possible in absolutely exceptional cases until now. According to the internal policy, however, this is considered an absolute prerequisite for promotion; part-time employees have no chance of participating in promotional training ("candidates for the position of a deputy departmental manager").

According to the staff committee, however, faced with this situation the apprentices were not greatly interested in long-term employment upon completion of their initial training. For this reason, the very ones who were more motivated or more active looked for vocational prospects which were more attractive from their point of view.

Thus, internal recruitment was rather neglected; only recently has there been a change in attitude, since the reserves of older employees wishing to resume their occupation after raising a family and, thus, (able) to accept a part-time occupation, have largely been exhausted.

It is probable that, in this connection, only now will more attention be paid to the need to improve the image of the sales profession by way of appropriate offers of continuing training, in order to recruit sufficient young sales personnel.

This surprising outcome that, according to those interviewed, the importance attached to continuing training on the company level is by far less than that on the central level, can be explained primarily by the internal age structure. As there has been little young talent recruited from among the ranks over the last few years, and as the apprentices often could not be given a permanent job, it is our view that reliance was made on the employees' practical experience acquired over many years in the job. An increase in the number of self-service elements within the retail sector is another reason why the general lack of continuing training activities among the employees has obviously not yet been considered a problem.

As we see it, this could also be a reason for the fact that, in line with the general consensus within this branch, the employees themselves see no great need for continuing training measures. In the opinion of the staff committee, however, there would definitely be an interest in continuing training courses lasting a few hours or one day, if the management allowed more possibilities for participation, i.e., if courses were made available and exemption from work were possible without any problems. At the moment, however, the staff committee does not regard the offensive campaign for continuing training as a priority item either, since it considers other tasks more important.

4. Summary

The case study on enterprise D shows, in our view, that the strategies for continuing training can differ considerably from their practical realization on site. In other words, a philosophy which is thought to apply throughout the whole company, may turn out to be quite different within the *particular stores*. Also and especially when taking into account that this case certainly is not necessarily to be considered as being representative of the enterprise as a whole, it becomes clear that the central office's endeavours to devote itself more to vocational continuing training ultimately depends on the concrete situation of the individual stores at their respective sites.

Besides the factors already described (such as: age structure, reduction in the number of employees over the last few years, increased workload), the "climate" of continuing training is certainly important and can vary greatly between the particular stores: thus, the importance attached to vocational continuing training in each case also depends on the intensity with which the company management, on the one hand, and the employees and/or their internal representation of interests, on the other hand, demand participation in continuing training courses.

Here, finally, it is clear that there is a relatively large amount of scope for defining the urgency of vocational continuing training. The question as to whether and to what extent continuing training activities are considered necessary in order to best meet the occupational requirements, or whether continuing training is regarded more as an obstacle to the everyday working requirements, may be accentuated very differently in each case.

1. General description of the company and its history

Kressmann in Schwerin is a textile firm, which was reprivatized in 1990. The store was originally owned by the Kressmann family and at the time of the former GDR run in public administration under the name "Kaufhaus Magnet". With effect from April 1st, 1991, it is now back in the possession of the Kressmann family. A closing sale was held to dispose of the old stock. Then, a considerable amount of money was invested in the reconstruction of the building and in autumn 1991 it was re-opened as a textile store.

The total sales area amounts to approx. 2,000 sq. m. As this area falls below the customary minimum requirements for a department store and as the Kressmann family's traditional field of activity is the textile business, the range of goods is limited to textiles. Apart from the textile store in Schwerin, which is at the same time the Kressmann family's parent firm, Kressmann also runs a second textile store in Hildesheim.

The opening of the store in Schwerin was preceded by a comprehensive market analysis with regard to the potential range of goods, the suitable price level, as well as the size and the style of the goods on offer. An analysis of rival competitors was conducted in the framework of this market study, too (carried out by KATAK, the purchasing partner of the Kressmann family).

In retrospective, the representative of the staff committee, too, considers the process of privatization to be positive on the whole. Because of the long-term uncertain situation of the staff, the member of the staff committee felt a moral obligation to represent their interests towards the Treuhand. As early as in 1990, the staff founded the staff committee with the support of the trade union HBV. The aim was to be integrated early on into the overall process of reconversion. One of the points was, for instance, to have the years of their employment in the old state-owned trading organization recognized and to avoid restrictions in the taking-over of staff.

The total of 60 full-time jobs is now guaranteed until June 30th, 1993.

The closure of the "Magnet" department store has left Schwerin without any department store offering a full range of goods. The Kressmann textile store is located in the middle of the pedestrian precinct at the intersection of the two central streets in the pedestrian precinct. The company is the market leader in Schwerin; none of the rivals has anywhere near a comparable

range of products. It is this very semi-monopolist position in the city of Schwerin which involves problems for the sales strategy.

Since the fall of the Wall, the inhabitants of Schwerin and its closer surroundings have become used to buying durable consumer goods, as well as up-market clothing, in Lübeck or Hamburg. These shopping expeditions lead to many customers realizing their shopping "event" by comparing the offers of different department stores and textile shops in Lübeck and Hamburg, and thus ignore the offers available at the Kressmann textile store. This explains why Kressmann does not enjoy its role as a monopolist and why it would favour the market entry of rival suppliers.

The starting point for the policy regarding range in Schwerin is the merchandise in the second store in Hildesheim. However, there are clear deviations in the shopping behaviour of the citizens of the former GDR. It has thus become clear that different sizes have to be on offer ("people here are smaller and fatter"). Besides, Schwerin customers in the textile sector have not developed any brand consciousness so far. Additional mark-ups on branded articles of 10 to 20%, which are customary in West Germany, are (still) not accepted in Schwerin.

The purchasing policy of the store in Schwerin is at present (in terms of one to two years) being decided in Hildesheim. However, the store is to gain independence slowly.

The business policy of the two Kressmann stores is determined by Mr. Kressman, senior. One of the two sons runs the store in Hildesheim (but also participated largely in the reconstruction of the store in Schwerin). The Schwerin store is run by an experienced manager who was recruited from the old Federal states, together with the second son. There are close contacts to the purchasing organization KATAK mentioned above, which handles about 70% of all purchases.

2. Personnel

Within the framework of the reprivatization contract concluded with the Treuhand, Kressmann has committed itself to taking over all 112 employees of the former "Magnet" department store. This was realized after the reconstruction and the re-opening of the textile store. At present Kressmann employs 112 people - 98 calculated on the basis of full-time working contracts. There are six male employees.

⁶² In the framework of this case study the management and the chairman of the staff committee of this store were interviewed. The latter also functions as a departmental head at the same time.

This case study was written by Uwe Grünewald, Bundesinstitut für Berufsbildung, Berlin.

Due to the changes in the textile store at present, the management structure has not yet been fully determined. Below the management level, there are at present two heads of department (one man, one woman).

Below this level, shop assistants and deputy departmental managers are assigned executive tasks and are to move into executive positions within the next few years.

During the opening phase (autumn 1991), executives from Hildesheim worked in Schwerin. On the other hand, all the employees in middle management worked in Hildesheim for two to four weeks.

As regards the structure of employment, there are clear differences between Schwerin and Hildesheim. The ratio of administrative staff to staff in the sales department is still clearly determined by the "former GDR" situation. There used to be one administrative employee for every four to five shop assistants. This ratio has been changing with a view to reducing administrative staff.

Part-time work has absolutely no major significance in Schwerin as yet, as opposed to in Hildesheim in particular, as well as in the old Federal states in general. In Hildesheim 90 employees out of a total of 150, more than half, hold part-time contracts. In Schwerin only 26 of the total of 112 employees work part-time. The reason for this lies in the fact that part-time work was traditionally less wide-spread in the former GDR. After the opening of the border, economic reasons were added which meant the sales assistants in Schwerin could not reduce their working hours. Nowadays, it is more difficult to combine employment with caring for small children. Furthermore, in many cases the family income is no longer adequate if one of the two partners works fewer hours. Due to the present amount of part-time work, the Kressmann textile store does not have the same flexibility to adapt its staff to the number of customers in the same way as in Hildesheim. However, Kressmann stays open until 8.30 p.m. on Thursday evenings and reduces the number of personnel during this time.

The age structure among the Schwerin staff is untypical, too, in comparison to West German stores. There are two well-represented age groups: firstly, sales assistants between 20 and 30 years and secondly, the age group between 45 and 55.

3. Qualification and vocational training

The new skills demanded of the sales personnel in Schwerin are marked by the historic process of reunification. The present staff at the Kressmann textile store were faced with two severe changes:

- Most of them had to adapt to the new range of goods, from a full range to a special selection. This demanded learning processes in special merchandise knowledge.
- Particularly in the field of sales there are fundamental differences between the centrally administrated GDR economy and the present market economy.

The Kressmann manager was of the opinion that the adaption to the new range was only one of the minor problems. A "good" sales assistant should be able to cope with a new range of merchandise without any problems if familiarized correctly. The adaption to the new economic system was considered more serious. This adaption meant relinquishing earlier positions of power granted to a shop assistant by the scarcity of goods. This position is still deeply-rooted in the heads of many employees. Many are only slowly managing to develop into the new role with customers. Kressmann considers the "man-development training", which we will refer to in detail later on, as an essential factor in the development of qualifications. This method of training is a very cost-intensive investment in the future development of personnel and qualifications.

Initial training

Kressmann currently has two apprentices, both of whom will take their examination this year. For 1992 (from the autumn onwards), six new apprentices are to be trained to become a retail salesperson. This number of recruits does not particularly correspond to internal personnel requirements. Rather more, the company considers this a commitment to the sector as well as to the city of Schwerin. These six training places were not advertised in the local press. Only the employment office was informed about the vacancies. Nevertheless no problems in acquisition arose. Particularly due to word-of-mouth, there have been 30 applications so far. The recruitment procedure, as well as the additional theoretical training in the textile store itself are to be conducted by an instructor from Hildesheim.

Continuing training

Following the closing sale in the former "Magnet" department store, the employees worked short time for six to eight weeks starting in mid-September 1991. In a restructuring process, which was a rarity and yet extremely efficient and well-targeted in the New Federal states, a six-to-eight-week inter-company training course financed by the employment office prepared the employees for their future tasks in the Kressmann textile store. The topics of this training course were textile merchandise knowledge, organizational theory as well as electronic data processing. This training course made use of suitable teaching material provided by Hildesheim. For the five

members of the staff committee, too, the organization of the period of short-time work represented an important problem following the closure of the "Magnet" department store. The member of the staff committee confirmed that Kressmann had integrated the employees in many points of the restructuring process.

Executives, heads of department, deputy departmental managers and shop assistants were also involved in the structural aspect of converting the textile store. Apart from the central areas mentioned above, there was also a training course for those working at the cash desks in combination with an introduction to the complete system of merchandise information. In addition, there were also training courses offered by the manufacturers (e.g., Schiesser, Triumph, Kunert, IWF).

In the field of electronic data processing, the store initially did not seek its own solutions, but took over the EDP system from Hildesheim.

The "man-development" method has already been mentioned. This concept had already been successfully implemented in Hildesheim. The two sets of two-day seminars are offered by a training institute from the Netherlands. The training concept begins with the executives and subsequently takes in, via the middle management level, all employees. The basic concept is the development of creative and workplace-orientated learning. The relationship to the customer in the seminar is essential to the field of the retail trade.

Therefore, not only employees in the sales department, but also decorators and tailors who have contact to customers, are included in the initial seminars as well as the subsequent, regular coaching. The staff committee approves of this "man-development" concept. Our interviewee had the opportunity to experience and appreciate this system during her exchange in Hildesheim. Yet she underlines the fact that this system is more suitable for executives, at least at the beginning.

Apart from the global concept described, internal training is complemented by cooperative seminars dealing with questions of merchandise information systems and with purchasing strategies for company purchasers (lasting one to two days each).

Promotional training at the executive level is still being elaborated. Later exchanges with other companies are envisaged, too. The profession of a commercial assistant, too, who is trained in cooperation with a textile school in Springe, has not been established in Schwerin yet.

Questions concerning the Single European Market are not a major topic of discussion at Kressmann yet. Of course, Kressmann sells a number of products from other EC countries, but as acquisition is mainly handled by the purchasing organization KATAK, Kressmann itself does not have direct contact to European manufacturers. According to the people we interviewed, shifts in and sharpening of the competition in the textile sector are most likely to occur among the manufacturers.

1. General description of the firm

SPAR is a voluntary combine of merchants in the food, retail and wholesale trade. At present (i.e. in May 1992) it is represented in a total of 24 countries around the world. The Internationale SPAR Centrale has its headquarters in Amsterdam. According to the annual report for 1989, p. 14, the German SPAR represents "the largest company within the SPAR group in the world", among those countries with SPAR subsidiaries. In comparison to other trade chains with similar structures in Germany, SPAR ranks fifth after Rewe, Tengelmann, Edeka and the co-op AG (source: Süddeutsche Zeitung, August 6th, 1991).

The German SPAR, originally a voluntary chain of retailers and wholesalers, has had a new, uniform organizational form since 1985: the SPAR Handels-Aktiengesellschaft Hamburg. It consists of a wholesale and a retail sector and is subdivided into 5 regions: SPAR North, West, South, South-west (in the old Federal states) and North-east (new Federal states).

The *wholesale sector* consists of 10 "branches of the SPAR Handels-Aktiengesellschaft" which belong directly to the group. There are a further 16 wholesale companies, which are owned to varying degrees by the group. At the beginning of 1991, 10 further wholesale companies were established in the new Federal states.

The *retail sector* is subdivided into different organizational fields and channels of distribution.

The umbrella of the SPAR Handels AG comprises on the one hand *independent, private retailers* who run businesses with a sales area ranging from 100 up to a maximum of 1,000 square metres. As a rule these are grocery shops with a department offering perishable products (fruit, vegetables, dairy products, sausage/meat, breads and pastries) and a high percentage of customer service, i.e. hardly any or very little self-service. They are "local supply shops" with close contact to the customer, and are strongly represented, above all, in the rural Federal states (such as Bavaria, Lower Saxony) and recently in the new Federal states, too, whereas in the old Federal states there is a trend towards supermarkets with larger sales areas. This combine of private retailers also represented the initial organizational form of the present Handels AG.

Furthermore, the SPAR Handels AG consists of *group-owned retail shops*, the "municipal enterprises". These include SPAR supermarkets (with an average sales area of approx. 400 to

1,000 sq. m.), "Eurospar" consumer markets (sales area of 1,000 to 2,500 sq. m.), "Interspar" self-service department stores (2,500 to 12,000 sq. m.) and other supermarkets and consumer markets ("Iamka", "attracta", etc.). Moreover, there are some foodstuff discount markets ("Prima", "Netto"), non-food discount markets ("Kodi"), drinks markets and hardware shops ("Bauspar"). Eurospar consumer markets, Interspar self-service department stores and the food discount markets have the highest number of outlets and the largest share in turnover. Our company case study was conducted in an Interspar outlet in the region SPAR-West.

1.1 History and present structure of SPAR

The SPAR retail chain was founded in the 1930s – starting in the Netherlands – firstly as a purchasing combine of independent retailers. It was still run in this way after the Second World War, but the structure of the combine has changed since then and new, group-specific organizational forms have come into being. Above all in the 1970s the SPAR-owned supermarkets and consumer markets (Eurospar, Interspar, etc.) were founded. The importance of the small retail outlets decreased in terms of numbers as well (in the 1950s there were still twice as many as there are today).

The latest and most important structural reform within the German SPAR was the foundation of the Handels-AG in 1985. This restructuring aimed at creating more favourable competitive conditions by tighter organizational forms (a joint group). The strong regionalization at that time was abolished; instead of the original 36 regionally organized SPAR companies – at the time when the AG was founded there were only 18 of them – there are now only four regions in the West and – of late – one region in the East of Germany. Since then, nationwide, uniform distribution networks have been established, which organize purchasing and sales strategies centrally. Special offers, advertisement campaigns and the design of the outlets are elaborated by the central office.

This change towards a tighter organizational form also brought along a change in the business policy among the municipal enterprises: in the middle of the 1980s all efforts were made to acquire as many new outlets as possible, thus to extend the group, whereas since the 1990s the new tendency is to systematize the lines of distribution. This means that those outlets which could not stand up to local competition were

⁶³ In connection with this case study interviews were conducted with a trade union representative in the German SPAR supervisory board, with the deputy head of the Bildungsinstitut der Deutschen SPAR (BIDS) and – on the company level – with the manager of an Interspar self-service department store and the chairman of the store's staff committee.

disposed of. Normally an attempt is made to privatize these outlets; this particularly affects Eurospar outlets with a sales area of less than 1,200sq.m. Only in exceptional circumstances are outlets closed because they are classified as being non-competitive. A member of the supervisory board pointed out that on the whole it could be assumed that those locations still existing have stood the test. But throughout the different regions there are large variations between the sales forms which have proved to be particularly successful. In the rural states, for instance, it is much easier for small outlets with close contact to the customer to assert themselves than it is in large urban conglomerations. In these, there is more of a tendency towards large-scale municipal enterprises.

In 1990, the number of retail shops under the SPAR umbrella exceeded 7,000, 854 of which were municipal stores.⁶⁴ In 1991 a further 2,000 outlets in the new Federal states were added to this number, the "target number" is given as 3,000 retail shops. During 1992, 470 Eurospar markets are to be opened (all of them former state-owned shops, which were bought from the Treuhand in one lot in the spring of 1991).

The overall group turnover amounted to about DM 8.4 billion in 1990, the wholesale trade accounted for DM 4.2 billion (external turnover, i.e., excluding the sales figures from the group-owned companies) and the group-owned retail trade for DM 4.2 billion. Because of the new acquisitions in the new region "North-east", an extraordinarily high increase in group turnover is expected for 1991: the interim report for the first six months of 1991 showed a turnover of almost DM 5.5 billion, an increase of 41.1% over 1990.

Organigram

The board of the national SPAR group⁶⁵ consists of five people. The chairman is responsible for the overall SPAR organization on the national level as well as for international links. Of the other four members of the Board, one is responsible for the municipal stores, one for marketing, one for finances and personnel as well as for the regions.

There is a supervisory board made up of ten representatives each from among the shareholders and staff.

In most of the larger municipal stores there is an elected *representation of interests within the store* (staff committees), whereas the independent companies are usually too small to elect staff committees. Furthermore, in some regions there is a general staff committee, formed by the

association of the staff committees from the individual outlets.

Moreover, the general staff committee of the group represents the interests of all the employees in the group-owned municipal stores. However, its regulating competence is limited exclusively to problems affecting the whole group (for instance: working hours, use of EDP, as far as this takes place across the whole group, etc.). Therefore its function basically consists of ensuring the exchange of information between the staff committees of the individual companies and regions.

1.2 Development of the employment structure

In 1990 the total number of staff at German SPAR amounted to more than 20,000 (16,353 in terms of full-time contracts of employment).

In comparison to the previous years, the number of employees decreased by 0.8% over the previous year, but in comparison to 1987 this represents a drastic increase: calculated on the basis of full-time contracts of employment the number of employees amounted to:

8,500 in 1987;
11,000 in 1988;
16,487 in 1989.

The percentage of employees in wholesale companies amounts to approximately 40%, and to 60% in group-owned retail trade. The percentage of women in the overall group is about 65%, in the retail trade it amounts to approximately 70%. Further data on the structure of employment is not available.

2. Training policy at SPAR

2.1 Information on the SPAR Training Institute

In connection with the restructuring of the group, the "Bildungsinstitut der Deutschen SPAR e.V." (BIDS) [German SPAR Training Institute] was founded, which is in charge of initial and continuing training for the whole of the SPAR group.

The BIDS was founded in January 1990. It superseded the training centre of the German SPAR, which existed until the end of 1989 and which was in charge of initial and continuing training on a national level until then. This training centre – which was founded at the beginning of the 1970s – represented a service offered by the German SPAR trade association for its retailers. The training centre was responsible for the elaboration of a uniform programme on initial

⁶⁴ All the following figures are taken from the 1990 annual report of the SPAR Handels-Aktiengesellschaft.

⁶⁵ The international structure of the group will be described in the case study on SPAR in the Netherlands report.

and continuing training offered to the merchants on a national scale.

The BIDS, by contrast, is a legally independent, registered association, partly linked to the SPAR group as far as its personnel is concerned, but not in any of the organizational points. The aim is to run the institute on a self-sufficient basis, i.e., to make it independent of the group and so emphasize its neutrality. Clients are already charged fees for the provision of the training services but at present the BIDS is partly subsidized by its members.

According to the group's organizational form, the BIDS, too, is subdivided into four regions (West Germany), and its headquarters, along with the group's headquarters, are in the northern region (Hamburg). Owing to the present extraordinarily high demand for initial and continuing training in the East, there is not just one, but four subsidiaries.

The board of the BIDS consists of three people, two of whom also hold executive functions in the staff administration of the group, and one represents German retailers in the board of the German SPAR trade association. In this way, the responsibilities to the personnel guarantee close contact to staff policy and to the interests of the group.

Below the level of the board is the management in charge of coordinating the BIDS in Germany. In all the regions (West) and subsidiaries (East), in turn, there are individual heads who organize this section on a regional scale. According to the size of the region, training facilities have a team of three to five instructors. In the subsidiaries in the East, the number of staff is disproportionately high, by comparison, as not only the apprentices and the employees, but also the instructors are still being trained to reach Western standards. This is why qualification requirements are unusually high for the time being.

Apart from this team of instructors, who are permanently employed by the BIDS, external lecturers are employed, too. These are approx. 30 experts from the departments of administration and marketing in the wholesale subsidiaries, i.e., who have practical experience and are specialists in certain fields (merchandise knowledge, bookkeeping and accounting, guidance of personnel, etc.), together with 15 freelance lecturers.

The BIDS sees itself as a service institute for SPAR. The BIDS works closely with the personnel department. Joint work groups hold regular meetings, in which future training measures are planned. The planning of employment figures and junior executive staff is agreed reciprocally between the personnel department and the training institute. There are agreements on the number and topics of the courses offered and the

central and/or regional staff managers co-determine the choice of participants. There are separate agreements among the marketing departments which are in charge of the independent retailers and the BIDS. It is left to the independent retailers to decide how many of their apprentices and employees to send to training courses.

An "advisory board" composed of wholesalers and retailers advises the BIDS board and checks the training programmes.

2.2 Training offered by the BIDS

In the field of *initial training*, the BIDS offers a comprehensive package, which comprises consultation and the regular contact to the instructors in the retail stores, as well as group-wide training units for the apprentices themselves (totalling 6 days of training per year). Apart from this "basic service", there are also the "additional services" of introductory vocational seminars (3 days), special seminars on merchandise knowledge and preparatory courses for the examinations (5 days).

In 1991 about 1,000 apprentices in the retail trade were instructed by the BIDS in this way, 44% of whom came from independent retail companies and 46% from municipal stores. A further 1,600 or so apprentices came from the new Federal states, all of them from municipal stores. The head of the training institute interviewed assumes that about 90% of all independent retailers who employ apprentices, allow their apprentices to participate in BIDS measures.

At present the SPAR retail sector trains apprentices almost exclusively in the sales professions (shop assistant, retail salesperson and skilled shop assistant in the food sector). Apprentices in administrative and office professions are only trained in the wholesale trade.

The BIDS courses in the field of *continuing training* are designed for both the independent retail traders and the municipal stores. They include measures for both adaptive and promotional training.

The *steps of promotion* within SPAR are as follows:

- After successful completion of the initial training in one of the sales professions and job experience of up to 4 years, apprentices are eligible to participate in a "Förderkreis Jungkaufleute der SPAR" [promotional circle for young salespeople at SPAR]. This training measure lasts two years and comprises one day of training per month and final tests. It enables the participants to work as shop assistants in Eurospar and Interspar markets or as shop assistants or a deputy store manager in small outlets and in the independent retail trade.

- The next career step can be reached via the promotional circle "Jungunternehmer der SPAR" [young entrepreneurs at SPAR]. This qualification, too, lasts two years (with monthly training units and final tests). Eligible to participate are all those who have completed the first promotional circle, as well as retail salespeople intending to open up their own business or who have already done so and wish to acquire additional knowledge. The training course concludes with the qualification of a "Meister der SPAR" [SPAR Master]. This training course gives them the right to run a SPAR market independently or to work as a department manager in a municipal store.

The third promotional measure, "Führungskräfte der SPAR" [SPAR managers] is only open to those considered by SPAR to be potential executives. The prerequisite here is the successful completion of the first two training units, university education and/or many years of relevant professional experience as an executive in the retail trade. This training, too, takes two years, but comprises longer and more intensive blocks of training. At the end of the first year, a report on the participant decides which executive tasks he or she may be assigned later on.

Participants in the second and third promotional measure also have the opportunity to participate in a three-month Euro-trainee programme. This is a course of residential studies at SPAR branches in one of the neighbouring European countries. This trainee-programme is still in its early stages.

The participation figures are given as follows: nationwide, referring to West Germany, there are approx. 300 participants, 200 of whom are in the "young salespeople" programme and 100 in that of the "young entrepreneurs". Comparable to the apprenticeship figures, 40% of the "young salespeople" are recruited from the independent retail trade and about 60% from the municipal stores. About two-thirds of the "young entrepreneurs" are participants from the municipal stores.

Almost 40% of participants in the promotional measures are female.

The first two promotional measures are open to all employees who are interested in them, as long as they meet the qualification requirements mentioned. The participation fees charged by the BIDS, however, are only borne by the individual stores if they advocated the participation. While it is common practice among the municipal stores to pay the fees in such cases and to grant the participants leave for the duration of the training units, the independent retail traders vary in their courses of action: thus, there are also participants from this field who attend the training in their spare time, while other branches follow the municipal stores.

All the promotional programmes mentioned are accompanied by practical training (in the original store or in other stores). There are reports on the participants in this sector of training, too, on the basis of which it is practically decided whether the participant will be promoted in the future and, if so, to which position.

As yet, SPAR does not offer any special courses for those who have taken the Abitur examination and are training to become a commercial assistant, for example. However, as long ago as 1977 the BIDS (formerly the "Bildungswerk der SPAR") started offering training courses to become a "Handelsfachwirt" [skilled retailer]. This 18-month training course, which comprises 40 days of seminars altogether, ends with an examination set by the Chamber of Commerce. Thus it is an acknowledged, official qualification, entitling the holder to promotion to a position in middle management. It is thus a training measure, which extends beyond the internal SPAR level.

Another of the BIDS's main courses are the seminars on retraining.

These include seminars on ranges of goods and specialized seminars, in particular, as well as management and executive seminars.

- The seminars on ranges of goods and specialized seminars are open to all employees among the sales professions. They deal with topics such as fruit and vegetables, foreign wine, deep-frozen food, etc., sales training, cashier training, securing of stock, etc. As a rule they last one day and take place at a centrally-located seminar site in the individual region, sometimes in BIDS rooms, too. In larger stores, seminars are also held on the premises if there is enough demand. The BIDS mainly assigns its own lecturers.

- Management and executive seminars, on the other hand, usually last more than one day (approx. three days). They are reserved for executives, independent retail traders and (partly) for instructors. Here, the BIDS does not only assign its own but also external lecturers. The topics offered are, for instance: business management and marketing, rhetoric, guidance of employees, sales training, etc.

2.3 Planning and range of training courses

The BIDS plans each seminar one to one and a half years in advance and informs all SPAR stores in the summer of each year about the programme for the following year. The brochures contain, apart from the planned topics of the seminars, detailed indications of the price of all seminars, as well as a questionnaire to determine which topics, which have not yet been considered, should be added to the training programme. Furthermore, -

as mentioned in item 2.1. – the programme is coordinated in regular working circles with the personnel department of the SPAR Handels AG and the marketing departments of the independent retailers.

According to the head of the BIDS, no general statements can be made about the participation of companies in the training measures offered by the BIDS. The willingness to provide oneself and one's employees with further qualifications differs depending on how willing the management is to support promotional measures. Nevertheless, it may be said that participation among the municipal stores is better organized because their campaigns and main topics are centrally determined. Here it is usually also easier to grant training leave to staff, due to the size of the outlets. The seminars offered are predominantly separated according to the two target groups: independent retail traders and municipal stores.

Alterations to the main emphasis or, in general, in the significance of continuing training cannot be established in this way: the main topics of the last few years have primarily been orientated towards the ranges of goods which the marketing department promoted during that year (such as: fruit and vegetables, sausages, dairy products).

Environmental topics do not play an important role in continuing training as yet. However, SPAR is providing information on the new legal regulations, e.g. the disposal of rubbish ("Verpackungsordnung"), which are of direct practical importance to the work of the retailers. Brochures are distributed for this purpose as well as informative meetings held. However, this information material is not defined as continuing training and therefore it does not fall into the sphere of competence of the BIDS. Apart from some seminars for executives, technological innovations also did not represent a special topic of training in the retail trade in 1991 (in contrast to the wholesale trade, where the administration department is to be found).

For the first time in 1992, the BIDS will hold a "continuing training seminar with a bonus". This is a publicity campaign addressed to all independent SPAR stores in order to increase their readiness to support training. Each retailer who participates will receive vouchers for seminars run by the training institute worth over DM 100. The fees for the first two seminars attended will then be reduced by this amount.

According to the 1990 annual report, 5,578 employees within the company participated in a total of 426 days of seminars in that year; i.e. one in four SPAR employees participated in BIDS's courses to acquire further qualifications.

The annual financial turnover of the BIDS amounts to DM 8–9 m.

3. A closer look at a particular store (outlet)

3.1 General information

We studied an Interspar self-service store in Solingen, a medium-sized city in the state of North Rhine-Westphalia (SPAR-Western region). It is located centrally, but not directly in the city centre, instead it is part of an industrial estate, where there are also other discount and consumer markets, as well as other companies and smaller shops.

The store was opened in 1974, i.e. it has been running for 18 years now. The management, as well as a large number of the employees, have been working in this Interspar store since then.

With a sales area of 5,200 sq. m. this store counts as one of the larger Interspar outlets. It is subdivided into 10 departments in all. The largest part is the food range, which also comprises large departments offering perishable goods (fruit and vegetables, meat and sausage, dairy products). In the non-food department, textiles are the main area. Furthermore, there are household goods, electrical appliances, a photographic department and hardware for daily use.

The range in these departments is mainly designed for goods for daily use. Above all, these articles are to be in stock, although the selection does not correspond to that of a specialized shop. The self-service store sees itself as "a supply store" and not as a one in which "special purchases" are made. By contrast, in the food department special attention is also paid to the variety of articles on sale, i.e. to a wide range.

The range and its display are largely predetermined by the SPAR head office. The only differences between the individual outlets are in the size of the range (depending on the size of the store) and due to special regional particularities. In order to guarantee reciprocal communication, regular discussions are held with the head office, but a regional exchange of experiences between the Interspar branches also takes place.

3.2 Structure of employment

At present the staff consists of a total of 130 employees, which corresponds to approx. 90–95 full-time employees. Only two employees have contracts as temporary staff (auxiliaries who are subject to flat-rate taxation), i.e. they work less than 15 hours per week (one of them is the car park attendant and the other works as an auxiliary sales assistant). By comparison, the percentage of three-quarters of full-time employees in this store is relatively high. Also in comparison with other Interspar outlets this ratio is unusually high, according to the management and the staff committee. The predominant employment of full-time staff explicitly corresponds to the man-

agement's staff employment policy that aims, in this way, to involve employees more closely in the company than would be possible with part-time employees. The decisive factor in this point of view is the full-time employees' "greater readiness to assume responsibility" for their respective tasks.

There are 33 men and 97 women among the total of 130 employees.

Furthermore, there are at present four apprentices (in the professions of a shop assistant and retail salesperson). This figure is below that actually desired by the management. "We would employ another 10 right away", which is impossible at the moment, in view of the present difficult recruitment situation. Up to now the maximum number of apprentices in one year has been seven. Now the management hopes to be able to recruit another 3 apprentices for the autumn of 1992.

The management consists of the manager of the store and his deputy, who is at the same time manageress in charge of the food department. The manager himself is responsible for the non-food departments, which have an additional deputy store manager.

Below this level, there are the section heads. They are in charge of the individual departments. Besides these, there is a cashier supervisor and a section head for the storage rooms. This position is held by junior managers as well as executives, who are in the process of completing or have completed the promotional measure "SPAR young entrepreneurs".

The staff committee consists of five people (none of the members is granted leave from work). On the level of "Interspar-West" there is also a general staff committee that is in charge of the West region. It is composed of delegates from all the staff committees in the stores and meets approximately every 6 to 8 weeks. Certain important topics are prepared within its own committees (such as economics and cash tills). But there is no special committee dealing with questions of training in the West region.

3.3 Training strategies

As far as training is concerned, the manager of this store is in charge of the other Interspar stores in the region SPAR-West, too. His basic task is to create links to the training institute and its programmes and to cultivate these links. As a representative of, or in cooperation with the other store managers on site, he recommends to the BIDS which measures would be useful and desirable from the practical point of view. Moreover, he is at present busy elaborating

uniform guidelines which are to serve the whole region in promoting the readiness of employees to participate in training courses and as selection criteria in the recruitment of junior executive staff.

The idea is to help establish, for example, the educational level of the individual employees, in which training measures they have participated so far and to what extent they are ready to participate in continuing training, etc. In this way the management hopes to be able to systematize training measures, to increase the number of participants and, in the long term, to make the training courses offered more transparent to the employees themselves (at present they do not have a detailed programme of the training offered at their disposal, and nor has the staff committee).

According to the store manager, in this store an above-average number of employees participate in training. Thus, there are nine young employees at present participating in promotional measures (two in the promotional circle I and seven in the promotional circle II). In addition, there is also a shortened version of these promotional circles for senior employees in executive positions to brush up their knowledge. This is in stark contrast to the other Interspar stores which normally only send two, or a maximum of three participants to these promotional measures. This must be seen against the background of the "philosophy" of the store studied, which states that this expenditure on training must be regarded as an investment, as the motivation and the readiness of the individual participant to perform will increase markedly. The management continues to conform to this principle, mainly because, given the present difficulties in recruiting, such measures will increasingly gain significance in the future to diminish the danger of fluctuation. According to the long-term experiences made by the store management until now, these positive effects even make themselves felt if the participants cannot be promoted to higher positions with better remuneration (e.g. as a section head) upon completion of promotional courses.⁶⁶

This is also the main idea behind retraining, i.e. that part of the qualification measures which are not relevant to promotion. According to the management, every employee in this store who is willing to participate in promotional measures takes part in an average of one to two courses or seminars per year.

As a rule, these seminars last one day (*seminars on ranges of goods and specialized seminars*), and are held in the main office of the SPAR-West or at the suppliers' premises that organize them. Such seminars are often supplemented by

⁶⁶ The extent to which the store promotes training exceeds its own demand such that it also supplies other stores with candidates for executive positions.

technical visits (to vintners, sausage-production plants, wholesale fruit and vegetable markets, and so on) and an overnight stay at the place of the course is always an integral part. In this way, the employees from the different SPAR outlets may get to know each other more closely and can exchange their experiences. This is considered essential for a successful completion of the seminars, as in this way the SPAR employees develop a "feeling of solidarity", which has positive, long-term effects.

A further training measure offered to all employees are *seminars on motivation* (featuring topics such as friendliness, information on the company, etc.). In contrast to the seminars on ranges of goods and the specialized seminars, these are courses lasting for several hours which take place in an external room on the premises and which are run by the management itself. Participation is compulsory for all employees. From the management's point of view, they represent a kind of completion of the shop-floor meetings and the "early-morning briefings" which take place at irregular intervals during which employees are informed about new developments and the targets of the company. The topic of friendliness is a fixed component of these briefings, too.

Executives have the opportunity of attending the courses for executives offered by the BIDS (for more details, see item 2).

As a rule, the question of *participation* is decided on a higher level. Usually it is the management who proposes participation in training rather than the employees themselves. It is only in exceptional cases that there are applicants who express an interest in participating and who address the management with their request.

The staff committee and management agree in the assessment that continuing training in the retail trade, especially in view of the aspect of improving its image mentioned above, will gain importance over the next few years. The manager of this store considers himself as a kind of pioneer in this respect – in contrast to other comparable retail outlets – as he realized the significance of this quite early on and is making efforts to root training more strongly in the other Interspar stores.

In his view, it will be inevitable in the future to make promotional training increasingly accessible to part-time employees, as their numbers in the overall total are continuously rising. The problems involved are rather of an organizational nature and should therefore be possible to solve as was the problem of shift-work, which every retail outlet is having to deal with now. Up to now, however, there has not even been one part-time employee who would have been eligible for promotional measures.

4. Summary

This case study of the Interspar outlet in Solingen may be considered an example of the practical significance of the extent to which the manager of a store is ready to promote training. In this case, training is pursued to a relatively extensive degree, as it is considered important for a good working atmosphere and for increasing the employees' motivation, as well as in their readiness to perform well. The participation in training courses (including those without career prospects) are considered as a kind of reward, a kind of incentive for further commitment to the daily work.

On the overall level of the Handels-AG SPAR, an evaluation is complicated by the fact that no clear statements can be made (except for on the promotional courses) as to what criteria are used and how intensively the independent retailers make use of the training institute. However, it may be stated that the construction of an independently run training institute allows the safeguarding of a comprehensive and very detailed offer of training courses, in which the small and smallest of the companies may participate, too. Furthermore, the regular discussions held by the training institute on the current and future requirements guarantees that the programme on offer is adapted to the changing needs among the retail companies concerned.

In this respect, it is true to say that the creation of the training institute independent of the Handels-AG has proved its worth; incidentally, this is confirmed by the relevant experience made by the Dortmund-Kassel Consumers' Cooperative e.G., too, where the independence of the training facilities is considered as an important indicator of the revaluation of initial and continuing training.

From the European point of view, it is interesting to note the creation of a Eurotrainee course within the framework of the promotional courses at SPAR. No experience is available as yet, as the trainee programme is still in its initial phase.

As far as the contents of the courses offered and the methods used are concerned, there are no particular innovations which would make SPAR stand out against the other companies studied.

1. General description of the company

The Konsumgenossenschaft Dortmund-Kassel e.G. [Dortmund-Kassel Consumers' Cooperative] is one of the few remaining consumer cooperative societies. With 387 shops, more than 11,000 employees and a turnover amounting to more than 3 billion German marks (and an upward trend)⁶⁸ it is not only the largest cooperative society in Germany but also in the whole of Europe. According to its own information, it is the second largest consumer cooperative society worldwide.

The owners of the group are 491,342 members, represented by 548 representatives. Each member has up to ten shares in the cooperative society with each share certificate being worth 500 marks. In return, they receive a dividend rate of 11% and a refund on goods purchased. At present this amounts to between 1.5 and 1.8%.⁶⁹ Regardless of the number of shares the individual member has, each of them is allowed one vote. The act of exercising their right to vote is realized by the elected representatives who regularly gather in representatives' meetings.

1.1 History of the Konsumgenossenschaft Dortmund-Kassel e.G.

The Dortmund-Kassel Consumers' Cooperative has its origin in the cooperative society movement which developed at the beginning of the 20th century in connection with the labour movement in Germany. Whereas originally there were a multitude of smaller consumer cooperative societies, their number decreased drastically after the Second World War. Since the 1960s several reformative efforts have been made in order to consolidate those cooperative societies still in existence by transforming them into regional societies, i.e. to initiate a process of concentration. In the mid 1970s the majority of the cooperative societies still in existence merged into the Coop-Aktiengesellschaft (AG) (Co-op public limited company) which was initially financially supported by the Deutscher Gewerkschaftsbund (German Trades Union Congress), but then, at the end of the 1980s had to be dissolved due to insolvency.

The only large consumer cooperative societies which escaped this transformation into public limited companies at that time were the Dortmund and Schleswig-Holstein consumers' cooperatives. Both of them had been able to defend their position successfully in this form, and up until this

day still exist as classical consumer cooperative societies. This means that the equity capital mainly consists of the shares belonging to the associated members. Moreover, the cooperative life-style has been preserved, e.g. by organizing joint cultural, informatory and leisure time activities.

According to the unanimous opinion of the those interviewed at the Dortmund-Kassel Consumers' Cooperative, particularly the older members still feel particularly attached to the enterprise, consider the shops as "their" own cooperative shops and regard themselves as members of one large family. This "feeling of togetherness", which characterized not only the customers but also the employees of the cooperative in a special way, is considered not to be so strong among the young generation today.

The Dortmund-Kassel Consumers' Cooperative has been and still is expanding relatively continuously, even if not in such leaps and bounds as with the large wholesale cooperatives in Germany. The largest acquisitions over the last few years have been the take-over of the Konsumgenossenschaft Kassel, the share-holding in PRO in Hamburg (up until then linked to the Co-op Limited Company) and the continuously developing expansion into the East of Germany, where the cooperative structures dating back to the former GDR can be relied upon.

The year 1990 was also an extraordinary successful year for the Dortmund-Kassel Co-op: the annual report for 1990 shows an increase in turnover of 27.6% for the general group, a fact that, apart from the special political developments in Germany, is also explained by the purchase of the PRO-chain.

As in previous years, the number of members continued to rise, too.

1.2 Structure of the enterprise

The main activities of the Dortmund-Kassel Consumers' Cooperative are in the area around Dortmund, that is to say in the eastern Ruhr area. Since the late 1980s, the Kassel cooperative society was added, and lately – in the course of reunification of the two German states – the Dortmund-Kassel Consumers' Cooperative has also started to commit itself more strongly in the east, especially in the region around Zwickau-Leipzig where the Dortmund-Kassel Consumers' Cooperative has had branches since 1989/1990.

⁶⁷ In connection with this case study interviews were carried out with the managing director of the "Akademie für praktisches Handelsmarketing (AfH)" (Academy of practical trade marketing) of the Konsumgenossenschaft e.G. as well as with the head of the public seminars at the AfH, a staff committee of the Konsumgenossenschaft and with the manager of a Coop-outlet in Dortmund.

⁶⁸ The following figures (unless stated otherwise) refer to the year 1990. Source: 1990 annual report of the Konsumgenossenschaft Dortmund-Kassel e.G.

⁶⁹ The figures in this passage refer to the year 1991.

The inner sector of the consumers' cooperative consists of the Co-op supermarkets (with a sales area as large as 1,000 square metres), the Co-op Centers and the Co-op Frischmärkte [markets selling fresh goods] (up to approx. 2,000 square metres).

Additionally, there are plaza self-service department stores, i.e. consumer markets with a floor area between 5,000 and 15,000 square metres, some discount markets (especially in the East of Germany) and specialized markets in different sectors (in the drugstore and textile sector as well as in consumer electronics). The latter are structured as private limited companies; i.e., not all of the enterprises within the group are cooperative societies.

Since 1989 the Dortmund-Kassel Consumers' Cooperative also has a 50% share-holding in the Hamburg PRO cooperative society, and the other half belongs to the Schleswig-Holstein Consumers' Cooperative, the second largest cooperative society in Germany.⁷⁰

To go into detail, at the end of 1990, there were 278 Co-op supermarkets, 24 centres, 4 Frischmärkte (markets only selling fresh goods), 18 plaza self-service department stores as well as – altogether – 63 discount and specialized shops in East and West Germany. In addition to this, there is the PRO chain of stores in Hamburg with approximately 180 branches.

The registered offices of the enterprise is in Dortmund. Here there are also the three large, central warehouses belonging to the cooperative and the central training institute, the "Akademie für praktisches Handelsmarketing (AfH)" [Academy for practical trade marketing]. A second training institute is being planned for Zwickau, East Germany.

Organigram

The management of the group consists of a supervisory board, with a proportionate number of representatives from the employers and from the employees, and an executive board of four people. Each member of the executive board is also responsible for one particular sphere. Thus, the scope of management planning/controlling and the purchasing department, for example, are assigned to sphere I of the executive board, financial concerns, accounting, personnel management, social matters and the training institute AfH, among others, are assigned to the

sphere II of the executive board; selling, sales management and marketing are largely included in sphere III, whereas organization, logistics among others belong to sphere IV of the executive board.

Beneath the level of the executive board are the heads of the sectors. At present, there are three heads for the Co-op supermarkets and Centers, each of whom is responsible for approx. ten regional heads. Each of the regional heads is responsible for 15–16 shops, that is to say they are the direct superiors to the managing directors of the respective shops.⁷¹

Regularly, that is to say twice a month, meetings – so-called circles – are held on all levels (executive board, heads of the sectors, regional heads, and store managers), in which current developments and decisions of the group are discussed and/or information is given about the resolutions of the executive board. The intention is to continue this principle as the group explicitly attaches a great deal of importance to a communicative and cooperative style of leadership based upon an extensive reciprocal informational process.

Representation of interests within the company

The Dortmund-Kassel Consumers' Cooperative has one common staff committee for the entire enterprise. This staff committee consists of 33 members (12 of them being exempted from other functions) and is responsible for all the branches of the cooperative in the old Federal states. In our experience, this represents an outstanding particularity within the German retail trade. This structure was at the request of the Dortmund-Kassel Consumers' Cooperative and was supported by the two relevant trade unions (HBV and NGG). In a second step, legal security was provided in the shape of collective agreements in agreement with the Federal Ministry of Employment. The main advantage is seen in the fact that, by this means, all the employees within the cooperative, even those working in smaller shops, are represented in one staff committee.

The staff committee is composed of employees belonging to widely different sectors and occupational groups (the regional heads are represented, as are shop assistants and other employees). Those employees exempted from work are mainly, but not exclusively responsible for the practical matters of the employees working in the shops. The staff committee is subdivided

⁷⁰ These are the former branches of the Co-op AG which were sold at the end of the 1980s in connection with the dissolution of the company. For further details see the item "History of the Dortmund-Kassel Consumers' Cooperative".

⁷¹ The structures are in a state of flux, i.e. experiments have been and are being carried out using different models in order to reach a well-balanced ratio between centralized decisions on the level of the executive board on the one hand, and the autonomy of the particular sectors on the other hand.

into committees dealing with different issues (such as questions of discipline, bonus systems, the environment, technical innovations etc.). The works committee, consisting of nine members, manages the affairs of the staff committee, and is thus the coordination and contact point for the whole staff committee.

There are no specific works agreements concerning initial and continuing training. The staff committee, however, participates in all of the decisions regarding questions about (continuing) vocational training, it receives the draft programme for the next year and also decides on their contents. Due to the fact that one member of the staff committee simultaneously holds an important position at the "Academy for practical trade marketing", a reciprocal informatory system is guaranteed by maintaining direct and personal contacts.

Another particularity of the enterprise is that all employees are unionized. The reason for this clearly lies in the collective, cooperative principle of the enterprise, and not in its formal organization. After all, in contrast to the Co-op AG, the trade unions within the Dortmund-Kassel and Schleswig-Holstein cooperatives were never responsible for the management or the financing of the enterprise (cf. item 1.2.: "History of the Dortmund-Kassel Consumers' Cooperative").

1.3 Numbers of employees and structure of personnel

In 1990 the Dortmund-Kassel Consumers' Cooperative employed 11,007 people taken as an annual average (entire group), that is 621 more than in the preceding year (in 1989 there were 10,386, in 1988 10,030 employees). The numbers of apprentices, however, are rapidly decreasing: 454 were taken on in 1990, 103 less than the year before.

The cooperative society employed 8,401 people in 1990 (an increase of 230 compared to the previous year).

The following data is available as to the structure of the personnel:

Full-time employees:	3,817	(= 45.44%);
Part-time employees:	2,447	(= 29.12%);
Apprentices:	884	(= 10.52%);
Temporary staff:	1,253	(= 14.91%).

In comparison to the preceding year, the number of full-time employees declined slightly (from

47.52% to 45.44%), whereas the number of temporary staff increased correspondingly (from 12.09% to 14.91%).⁷² No details are available about earlier years.

According to the annual report for 1990, 56.12% of all the employees have been working here for more than five years.

Among the occupations at the cooperative, sales occupations are predominant (shop assistant,⁷³ retail salesperson, skilled shop assistant in the food sector, chemist). In addition, there are the administrative jobs and those of the commercial sector (stock-keeping).

Details about the percentage of female employees do not appear in the annual report. According to the information given by the interviewees, the percentage ranges around the order of approx. 70%, an average value within the retail trade.

As special benefits, the employees working for the cooperative receive an additional maintenance grant in the case of illness and supplementary contributions to their pension scheme.

2. Internal continuing training at the Dortmund-Kassel Consumers' Cooperative

2.1 General information about the Bildungsakademie (Training Academy)

Since 1988 the "Akademie für praktisches Handelsmarketing" (AfH) [Academy of Practical Trade Marketing] has been in existence, which is 100% a subsidiary company of the Dortmund-Kassel Consumers' Cooperative, although it is run as an independent private limited company. This institution replaced the department of initial and continuing training which was directly related to the cooperative society and existed till 1987.

By making the AfH independent as a separate profit-centre, the aim was to emphasize the large value attached to the employees' initial and continuing training at the cooperative. Furthermore, its status of a private limited company allows it to offer courses on the open market in order to be self-sufficient financially, at least to a certain extent. The majority of the costs, however, are borne by the cooperative: the company not only pays the rent and additional expenses for the buildings but also the salaries of the permanently employed staff and lecturers at the AfH, as well as of those participating in the cooperative's promotional programmes.⁷⁴

⁷² Source: Annual report for 1990, p. 47; own calculations.

⁷³ The occupation of shop assistant requiring a two-year training has not been offered since 1987. Now there are only occupations requiring a training of three years.

The academy is run by a managing director; within the group it is assigned to sphere II of the executive board and thus is formally on a par with the personnel department of the enterprise. It has a staff of approximately 20 permanently employed lecturers and 20 or 30 freelancers who can be summoned for special subjects according to the actual demand.

As the name of the institute implies, the *essential philosophy of the training* does not only consist in learning theoretical knowledge but also in the aspect of training the ability to transform this knowledge into practical skills. This means that special attention is paid to the close relationship between teaching and practice, with the aim of cultivating dialogue between the AfH and the management of the shops as well as the direct transformation of the assimilated knowledge in the courses. The seminar rooms at the AfH have been designed and equipped realistically, e.g. with cheese, meat and sausage-counters and cash tills, such that the processes of selling and cashing up can be simulated and tested realistically.

Furthermore, an attempt is made to maintain close contact to the shops and so link the theoretical initial and continuing training as closely as possible with everyday working life in situ. In practice this means that the curricula for the training are drawn up in such a manner that the practical training in the shops corresponds exactly to the theoretical training at the "Academy". In consequence of this, the same subjects are dealt with simultaneously at all the training sites.

The idea of a close relation between theory and practice is also reflected in the principles regarding the recruitment of personnel and management, both of which, where possible, aim to recruit from their own human resources. According to the interviewees, this attempt has been largely successful over the last few years. An essential factor here is the cooperative's own promotional training programme for further advancement (see below).

2.2 Training offered by the AfH

The sector of initial and continuing training is subdivided into four fields:

- *Basic training:* This field comprises initial vocational training, i.e. for apprentices and carried out by the AfH. The cooperative makes training available for a total of nine occupations; the main emphasis, however, is clearly on the sales occupations (retail salesperson specialized in food, hardware and textiles).

- *Special courses:* This refers to courses with a duration of mainly one or two days and which are offered to the employees of the cooperative (subjects concerning merchandise knowledge, till sector, EDP, courses on management and rhetoric and on particular subjects regarding the environment etc.). Depending on the main subjects, these courses are addressed to the sales staff, the office personnel, the employees from the commercial sector or to the executives from different sectors.

The seminar "Studies on the cooperative society/organization and structure of the enterprise", which deals with the history and presentation of the cooperative philosophy, is open to all groups of employees, including those from the commercial sector.

- *Promotional programmes:* These include the training for further advancement. At the Dortmund-Kassel Consumers' Cooperative it is, however, organized in a different way to most of the other enterprises in the retail trade in the Federal Republic of Germany.
- *Open courses:* These courses in continuing training are mainly addressed to people who are not employed by the Dortmund-Kassel Consumers' Cooperative. Here, participation is subject to fees, whereas all the other types of courses reserved for employees of the cooperative are offered free of charge.

In the following we will essentially concentrate on the sector of "promotional programmes" since this features some particularities concerning the organization and realization. Furthermore, we will describe the continuing training leading to the position of a "Umweltfachkraft" [advisor for environmental issues] which is an innovation of the Dortmund-Kassel Consumers' Cooperative.

All those who have passed the initial vocational training, can attend the *promotional programmes of the Dortmund-Kassel Consumers' Cooperative* as long as they have reached a certain average grade in their final examination (at least grade 3). Besides this, there are relevant interviews and a test to decide on participation. Directly after their initial training, these people are given a training contract by the AfH lasting three years. This means they are employed by the AfH (i.e. no longer by the company they were trained in). The aim here is to ensure that the participants of the promotional programme dissociate themselves from their former training companies and become more strongly bonded to the general group. For this reason, while attending these continuing training measures, they are not only sent to one, but to several companies in order to familiarize themselves with the practice at different sites.

⁷⁴ One of the following parts of this study will deal with this particularity of the Dortmund-Kassel Consumers' Cooperative which means that the participants of those training programmes for further advancement are treated as employees of the training institute.

This continuing training measure leads to a qualification to become a head of a (super-)market or – in larger super- and consumer markets – the position of a head of a department. Currently about 270 people are being trained within the scope of this programme.

For the first two years, the promotional programme includes several theoretical block courses ("units") treating subjects as behavioural training, friendliness, merchandise knowledge, training for stocktaking, personnel assignment and reference numbers etc. Each of them lasts between one and four days. The courses are arranged and carried out at the "Academy for practical trade marketing", generally by their own lecturers. With that, the theoretical part of the continuing training programme is largely finished, only being supplemented by an exchange of experiences in the third year. During the whole period, however, the AfH is responsible for the practical assignment in the shops and ensures that every participant can gain experience at as many different shops as possible.

The same type of promotional programme, but in an abbreviated form, as it were, is available for those employees of the Dortmund-Kassel Consumers' Cooperative who have already been working for several years since passing their vocational training. They are provided with this promotional training in the shape of a full-time course which lasts five weeks.

Another course on offer for the purpose of recruiting junior executives is the special programme for "Abiturienten" [secondary school graduates eligible for higher education]. This contains two vocational training courses (retail salesperson, clerk) and a course of studies (economics) at the Verwaltungs- und Wirtschafts-akademie [Academy of Management and Economics] in Bochum. The programme lasts seven years in all and allows a targeted recruiting of potential executives who are highly qualified as well as having fundamental experience of the situation in the shops, gained during their apprenticeship. This programme, which was introduced 13 years ago, is now offered in seven-year intervals, each for one course.

The qualification for the occupation of an advisor for environmental issues, which the Dortmund-Kassel Consumers' Cooperative offers to its employees within the retail sector, is a very special feature, even for the F.R.G., and only exists at present within the Dortmund-Kassel Consumers' Cooperative. This continuing training measure

which has been elaborated with the "Entwicklungszentrum Dortmund" [Centre of Development, Dortmund], a scientific institute, has been in existence since 1989. It is organized as a full-time course and lasts two and a half months. Up until now, 70 employees of the Dortmund-Kassel Consumers' Cooperative have attended this measure. In the long run, the plan is to have at least one advisor for environmental issues at every market within the cooperative.

The target of this continuing training is given as follows: "After having completed the course, the participants should be able to advise the customers in a qualified way as to the environmental compatibility of individual products, and they should actively take part in the selection of the range of goods."

This shows that the main goal is qualified, individual customer advice and thus a heightening of the customers' awareness of environmental issues. By means of intensifying the advisory service to customers, it is hoped to improve the attractiveness, the image of the Dortmund-Kassel Consumers' Cooperative. This also means that the shops are to encourage environmental awareness by planning their own environmental campaigns and by a targeted selection of their range of goods. As regards the management of the range, the "Umweltfachkräfte" themselves only have an advisory and recommendatory function; the final decisions are made by the management of the retail chain and the central purchasing department of the Dortmund-Kassel Consumers' Cooperative.

The description "Umweltfachkraft im Einzelhandel" [advisor for environmental issues within the retail trade], which is awarded to those completing this measure, is not an officially recognized job description, merely an internal title. This qualification leads neither to a higher wage category, nor is it directly relevant to vocational promotion. Only salespeople, but not the heads of the departments or supermarkets are granted a pay rise after the completion of the course. The knowledge acquired during these courses is to be instrumental in the integration of environmental awareness as a main aspect within the normal sales activity.

As of late, the course has also been offered as an "open seminar" addressed to shop assistants, instructors and heads of markets belonging to other enterprises.⁷⁵ The course comprises the same programme, i.e.:

- Introduction to ecological thinking

⁷⁵ The cost for those not employed by the Konsumgesellschaft Dortmund-Kassel e.G. is 2,300 German marks for a full-time course lasting 10 weeks. However, it should be mentioned that these expenses can be individually reduced by subsidies from the Bundesanstalt für Arbeit (Federal Institute of Labour) or the EC-programme of the state of North-Rhine Westphalia. For the employees of the Dortmund-Kassel Consumers' Cooperative participation is free of charge.

- Range of goods and ecology within the food sector
- Harmlessness to the environment and to health of non-food articles in the drugs and cosmetics sector
- Introduction to the tasks of the advisor for environmental issues
- Ecology and marketing
- Sales and advisory service; transformation into practice
- Environmental protection within the company

As a continuous supplement to this training for the occupation of an advisor for environmental issues, one day courses are offered, informing of new developments, e.g. the new laws passed by the Federal Government relating to waste and its disposal (Abfall- und Entsorgungsgesetze) as well as the transformation of these regulations into practice.

2.3 Planning and scope of continuing training

Once a year, the AfH elaborates a curriculum, coordinated with the regional heads as well as with the staff committee, the suggestions and innovative proposals of which are included in the programme of continuing training should there be sufficient demand. In this way, an attempt is made to react to the particular demands as promptly as possible. The staff committee considers its main task in this process as being the input of union-related subjects (e.g., environmental considerations, the introduction of teamwork, etc.) into the structuring of the contents of this continuing training. As the staff committee is represented by staff in all the committees of the cooperative, as well as within the training academy, cooperation is described as being without problems.

This programme is distributed to all employees via the shops. It is available approximately in the middle of the year, referring to the following year. Anyone who is interested can enrol, but usually the participants are sent by the heads of the shops who decide on this matter together with the heads of the sales regions.

Over the last five years, the main focus of continuing training has been modified above in that attitudes towards the environment have developed into an independent subject of continuing training.

According to the managing director of the AfH, the costs for initial and continuing training can not be estimated, since there is no separate cost accounting for this item. This is mainly due to the fact that, although the AfH is run as an independent subsidiary company of the Dortmund-Kassel Consumers' Cooperative, all those working for it are paid by the enterprise. As indicated above, this does not only apply to the lecturers but

also to all the participants on the three-year promotional programme.

As an indication of the intensity of the continuing training activities, the managing director points out the number of participants and course days: at present there are about 12,000 participants a year attending the internal continuing training courses. The statistical average of the participation per employee amounts to 1.8 days. This figure, however, also includes the long-term measures, i.e. promotional courses of several weeks. If only the participation in courses lasting one or several days is calculated, the average ranges between approx. 1.3 and 1.5 days per employee.

The "open seminars", addressed to employees of other retail enterprises or other external interested parties, attract approx. 12,000 to 13,000 participants a year.

3. The Co-op supermarket in Dortmund

3.1 General information

The shop studied is a supermarket in the centre of Dortmund, situated in a residential area, and thus not directly in the shopping area of the city.

This is a supermarket with a sales area of about 2,000 square metres, calling itself a "Frische-Markt" (market selling fresh goods) in order to emphasize the particularly high proportion of fresh products (such as meat, dairy products, fruit etc.) it has on offer. The shop has been operating since 1967; it originally had a sales area of 450 square metres and since then has been extended several times to reach its current size. Compared to other Co-op supermarkets, this one belongs to the category of larger shops.

With regard to the organization and pricing of the range of goods, the management has no freedom to make its own decisions. Purchasing, the presentation of the articles, retail prices as well as advertising campaigns are stipulated by the central office. The interior design of the shops is likewise identical in all of the branches. The only differences are in the size of the shop and, consequently, the range of goods on sale.

Organigram: The head of the branch is assisted by a deputy head who, at the same time, acts as the head of the food department, considered to be the most important department. There are further departmental heads for the sectors meat/sausage, drugs and cosmetics, cash-desk control and stock control (i.e. supply of goods, provision and maintenance of goods, logistics etc.).

3.2 Numbers of employees and structure of the personnel

There are 60 employees (head-count) which corresponds to 46 full-time workers. Broken down by category, these are

- 22 full-time employees
- 23 part-time employees
- 10 apprentices
- 5 employees working on the basis of flat-rate taxation

Of these employees, there are 53 females and 5 males. An unknown number of them have been working there for many years, some even since the opening of the shop. The head of this shop has been working there for 11 years now.

The structure of the personnel largely corresponds to the structures of other Co-op shops. The number of personnel is decided by the central office: it depends on the turnover of the particular shop (no precise details available). The heads of the shops decide by themselves how to assign the numbers of full-time and part-time staff as well as those employees working on the basis of a flat-rate taxation. In the case of the shop investigated, this allocation developed rather incidentally, without any hard and fast criteria, and it is modified slightly from one year to the next.

The percentage of apprentices is comparatively high as a result of the explicit wish of the store manager to have as high a number of young employees as possible, from which the internal junior executive staff should be recruited in the long term. For this very reason, this percentage has been even larger in the past, with up to 14 apprentices.

Within the Dortmund-Kassel Consumers' Cooperative, the apprentices are not recruited and taken on by the heads of the shops but centrally, by the personnel department for all of the Co-op outlets. The outlets may only express their desired number of new apprentices and they discuss this with the central department. This is, however, not a problem for the store manager, as he says there has always been a consensus on this point.

3.3 Strategies of continuing training

Also in terms of the employees' continuing training, the branch investigated is above average. In line with the strategy of ensuring junior executive staff by means of training, the store manager attempts to motivate all those who have successfully completed their vocational training to participate in the promotional programme run by the Dortmund-Kassel Consumers' Cooperative. Over the period of the past five years, 10 or 12 participants have been thus motivated (i.e. at least two a year). The rest of the apprentices who either were not allowed or did not want to participate in the promotional programme, generally remained at the shop working as shop-assistants.

In line with guidelines of the Dortmund-Kassel Consumers' Cooperative, it is obligatory for the

participants on the promotional programme to leave their respective training firms in order to familiarize themselves with different shops, and, as a result, the best trainees are periodically "surrendered". However, they are then replaced by other participants in the promotional programme and then assigned to that respective shop. Even if these young people are not continuously working in the practical field, they can be entrusted with particularly responsible tasks, since, as future executives, they are more highly motivated than most of the other employees. In this respect, according to the store manager, there is a real explicit interest in allowing as many people as possible to participate in the promotional training offered by the cooperative. This general interest is reinforced even more by the fact that the participants on the promotional programme, as employees of the AfH, are not paid any wages by the shops they work for.

A disproportionately high number of retail salespeople in the shop investigated had also passed the training measure leading to an advisor for environmental issues within the retail trade. There have been three participants until now. In each case, the initiative was taken by the employees themselves. The management, however, supported this plan expressly with the view of this branch running an "environmental campaign" every six weeks, in which the customers' attention is drawn to certain issues (detergents, packaging material, etc.). Apart from the direct explanatory work, it is hoped to spark certain marketing effects. Here "it pays for itself" if relevantly trained workers can add their qualified assistance to such campaigns.

One day courses (special courses and ones concerning the product range) are attended mainly by those employees who have not been trained by the Dortmund-Kassel Consumers' Cooperative. It is almost as good as obligatory for these people (at the branch concerned this affects 10 or 12 employees) to attend the programme provided by the AfH. For the rest of the employees in this shop, on the other hand, it is rather the exception to brush up on acquired knowledge through such courses. According to the store manager, this occurs approximately every five or six years on average. This seems just as unnecessary to most of the women returning to the profession after maternity leave, since "basically not much changes".

Also the modifications within the cash-desk system, which happen quite frequently, require at least an introduction of a few hours' duration, which is provided for the employees by the executives who are responsible for the cash-desk sector.

4. Summary

Within the scope of the retail enterprises investigated, the Dortmund-Kassel Consumers' Cooperative is especially conspicuous due to its promotional programme for prospective executives and its continuing training towards becoming an advisor for environmental issues. In our opinion, particularly the latter continuing training measure may be considered innovative in that it breaks new ground with regard to the contents as well as to the aim of this continuing training. The attempt, not only to promote the environmental aspect as being important but, additionally, to make an effort to enlighten the customers, is being supported here by thoroughly training the personnel. From the view of the Dortmund-Kassel Consumers' Cooperative, however, the intention is not to train all the employees to this extent. Instead, the aim is to ensure that – by means of a multiplier effect – one advisor for environmental issues at each branch will be responsible for the particular realization of this idea.

In terms of content, this course is not specifically orientated towards the requirements of the Cooperative, but rather with topics of general interest, and so there should not be any problems with transferring this experience. This is all the more certain as the continuing training measures are already open to participants from other enterprises.

The terms of participation for this course, as well as for the other continuing training measures offered by the Dortmund-Kassel Consumers' Cooperative, are arranged in such a generous way that – according to the interviewees – in principle, everyone who enrolls in time can expect to be considered for a place (except for the promotional programmes which require certain qualifications).

Additionally, the recruitment of executives from among the own staff is considered very important, a goal which is largely being reached with the provision of a compact, three-year continuing training accompanied by intensive supervision.

1. The selection of the case studies

Against the background of Germany's particular political and economic situation since the unification of the two German states, special problem areas have been arising for the German retail trade, which also influence continuing training.

The construction, and/or the reconstruction of the retail trade outlets in the former GDR necessitate a corresponding training of those employees. Here, special qualification requirements have arisen, which will certainly still be influential in 1992/93, too. But in this way, Western employees in the training sector will be forced to work in the East. Thus the situation in (continuing) training in the West is influenced too, even if rather indirectly.

As regards the stores included in this study, this means that a clear distinction has to be made between the stores in the West and in the East of Germany, as both the qualification requirements, the contents and methods, as well as the groups of employees integrated into continuing training differ significantly. Since the two stores visited in the East are branches or secondary outlets of Western companies, this was particularly evident, when the experts interviewed were asked about comparisons between East and West.

On the whole, the case studies – just like the National Report – focus more on the developments which concern the West of Germany, as the reunification process of the two German states has to be considered more as a gradual integration of the former GDR into the West German economic and educational system. In other words, the standards are set in the West, while in the East talk is currently of adaptive and transitional phenomena.

Within the framework of this study, a total of seven stores (from six companies) were chosen, five (four) of them in the West of the country and two in the East. These are two department stores (Hertie, with two outlets, in the West, and Kaufhof in the East), two specialized textile shops (D in a major West German city, K in a small town in the East) and two foodstuffs chain stores (SPAR and Co-op e. G.; both in the West of Germany).

In making this selection – from the national point of view – particular attention was paid to the fact that each of them had programmes on continuing training, which included as many groups of employees as possible and that this training was offered continuously. Yet these criteria could not be applied so strictly to the stores in the East, as all measures of continuing training carried out there at present, have a particularly transitional character. Here it was of particular importance that the continuing training factor was given special consideration in the restructuring process.

Thus, from the very start, special forms of outlets and of distribution (e.g. discounter, consumer

markets, etc.) were excluded, in the West as well as in the East, as they were not likely to run such intensive continuing training courses. In this respect, the stores described represent more the upper level of the training spectrum and cannot be regarded as representative for the whole of the German retail trade. On the other hand, the intention was not to present simply the "best-practice" cases. This was considered hazardous, not only because of the extraordinarily difficult problems in defining the "best" training practices, but also under the aspect that it is not sensible to depict only shining examples, so to speak, whose experience could be considered transferrable in the positive sense, but also to depict any specific problems, which (may) result in connection with continuing training.

2. Planning and concept of training

In all the companies surveyed there are *independent, internal departments*, or special company training institutes (SPAR, Co-op e. G.), which are in charge of the concept and planning of training on a company level. Here programmes are elaborated which, as a rule, are valid for the following year. These programmes are available to the store managers and/or company managers, who then independently decide to what extent they inform their employees and how strongly they are interested in motivating their staff to participate. In general, *enrolment* in training courses is effected via the superior. The employees themselves can express their interest in such courses; however, they have no enforceable right to attend. Yet according to the staff committees, this does not represent a dangerous problem in the retail trade at present.

In most cases, there is no *systematic determination of qualification requirements*. Yet in all cases surveyed, there is consultation between the training departments and the management, or their regional district managers (e.g., in regular work groups).

In each case, there are also close contacts to the personnel department, which are relevant, above all, to the courses in the field of promotional training, i.e. in connection with the recruitment of executive staff from their own ranks.

There are close links between the respective *company philosophy* and its training strategy. This means that the company's self-portrayal clearly corresponds to the status given to continuing training. Here it can be stated for all the cases surveyed that training has increasingly been gaining importance over the last few years as part of the company's cultivation of its image. This refers to both promotional training and to continual courses (such as motivation and behavioural training and specialized seminars).

Research in the stores showed, however, that there may well be important differences between the company philosophy concerning continuing training and the behaviour concerning continuing training on the level of the individual outlet. This is particularly clear among our sample ... the case of the textile shop D in West Germany; but it may certainly be assumed that this example – in relation to the practices concerning continuing training in the German retail trade as a whole – is not a special case. Among the companies included in the study, the individual stores are either more or less willing to promote continuing training. Judging from our observations, we have mainly found or been given access to those stores which the company knows to be training-intensive. Here, special mention should be made to the SPAR store examined, which has a sort of pioneering function for the whole region.

There are certainly several reasons for the different training policies on the company level and the store level mentioned. In this connection, it is important to point out the predominant role the store superior (store or store manager, head of department) plays in the decision on the participation of employees in continuing training measures. As there are no directly verifiable criteria in the training sector as to how many and which measures have to be considered as "necessary" in the individual case, there is obviously a relatively large scope for the decision-makers in the store. It is their assessment of the significance that qualification is to have in practice which is ultimately decisive in determining the training "climate" prevailing in the stores and thus on the quota of participation in training courses.

3. Participation of the in-house representation of interests

As the fields of initial and continuing training are liable to co-determination in Germany, the in-house representation of interests participates, in principle, in all decisions concerning qualification. Yet the individual cases depicted show clearly that the extent to which, as well as the problematic areas in which the staff committees take the initiative are very different.

These range from a pure acknowledgement of the activities by the management (e.g., Interspar) to a more or less continuously close cooperation between the training committee of a staff committee and the department of training and staff of the respective company. Examples here are – on the company level – the textile company D as well as Hertie, where there is close contact on the level of the general staff committee and/or of the department of training and staff, as well as on the level of the individual outlet.

In this respect, the stores in the East of Germany, too, are particularly interesting, as here, due to

the present times of change, the in-house representations of interests still have a very special significance. In both cases examined, the members of the staff committee have been recruited from the "old" staff, while the executives still mostly come from the West. Thus the co-operation contains an especially explosive element, because of the possible additional tension arising between the management and the staff committee. In both cases examined, the staff committee regards it as its explicit task to accompany the restructuring measures with consideration to the interests of the employees and, simultaneously, to advance the restructuring within the company in a constructive fashion. Under these particular circumstances, the very special constellation arose in the family store K whereby the chairwoman of the staff committee also functions as a head of department. In the Kaufhof group, the staff committee tries to find comprehensive regulations for the benefit of the personnel by way of a number of works agreements.

With regard to future courses on qualifying training, the staff committees were interested in close cooperation with the management from the very outset. Here the question was to establish the contents of the continuing training measures (e.g., Kaufhof) and – above all – to determine the scope and the organization of qualification, with each measure including all employees.

In the outlets in the West it is noticeable that, on the whole, questions concerning continuing training do not play an prominent role in the work of the staff committee. Mostly the right of participation is more intensively used in the case of certain problems concerning initial training than in questions of vocational continuing training.

4. The participation in training between the different groups of employees

In this respect, it may be generally stated that in the companies surveyed all employees received training offers. Yet the scope of the offer and the actual degree of participation in training among the different groups of employees is by no means evenly balanced. As may be seen from the range of training courses (cf. item 5, below), major importance is attached to the recruitment and the further training of executives, followed by (in descending order of significance): sales personnel, administrative staff and, finally, stock-keeping staff.

The discovery that employees with higher qualifications participate more frequently in training courses than ordinary employees, basically corresponds to research available concerning other sectors in the Federal Republic of Germany.

The participation of part-time employees and of those employees who are subject to flat-rate taxation represent a particular problem in the retail trade and – in direct connection with this – the question of gender-specific participation in training.

The special promotion of women, has only received special attention in one of the companies examined (Hertie). Here a works agreement was concluded between the staff committee and the management with the aim, among others, of increasing the percentage of women in executive positions.

In all the other companies within our sample there are no comparable agreements dealing with the participation of women in continuing training. Yet at the Kaufhof store in East Berlin, there are a number of agreements regulating the special problems facing female employees and helping them – at least for a transitional period – to combine their families with their full-time jobs.

The general difficulty, affecting women in particular, of being excluded from promotional training measures on the basis of part-time contracts of employment, does not seem to have been solved anywhere. There are only a few initiatives, for example by job-sharing, to allow the holding of executive positions on a part-time basis, or at least to consider similar models for the future. Otherwise it is to be assumed at present that executive tasks are reserved for those employees who have full-time contracts of employment.

Thus it may be said that there are equal rights of participation for part-time and full-time employees only in the field of retraining. At least there are no explicit exclusions. However, there are no clear results available in this respect.

Employees who are subject to flat-rate taxation only participate in training in exceptional cases. They only receive short instructions, if any, usually at their place of work. With regard to this group of employees only the model "TIP" which is now being tested at Hertie, represents a chance to integrate them into the organization of the qualifying courses.

Introductory courses for new employees are a matter of fact in all companies. For those companies surveyed in the East of Germany it may be stated with some justification – because of the exceptional situation depicted – that all courses with a view to qualification have the character of introductory courses.

With regard to the Western companies, no general statements can be made concerning the quantitative ratio of these training courses to the participation of other members of staff, who have been employed with the company for a longer

period of time. Yet the results seem to point to the fact that many of the training courses which are open to all employees in principle are used more intensely by the new employees. This applies to seminars on the range of goods, for instance, to seminars in which the company presents its sales strategy, but also to a certain extent to other topics, such as "friendliness towards customers". However, with new topics, such as "environmental protection", or introductions to the merchandise information systems, no differences in respect of training behaviour may be established.

5. The spectrum of training (contents)

As mentioned above, clear priority is given to training measures for junior executive staff and for the executive level (promotional training to become a junior manager / deputy departmental manager / head of department, etc.).

All the companies examined attach special importance to the recruitment of executive staff from their own ranks, particularly against the background that the German retail trade has been faced with increasing problems in recruiting apprentices for some years, while at the same time having a markedly increased demand for (young) executives for the construction and reconstruction in the East of Germany. Therefore, the efforts of the German retail trade focus at present on making employment in the retail trade more attractive by way of continuing training and on presenting the career prospects available to young and committed people more clearly.

The continuing training courses for the sales personnel emerge as a further focal point. These are the specialized seminars (merchandise knowledge, technical courses for shop assistants in the electronic, computer and photography departments) on the one hand, and the seminars on sales training and motivation, on the other. Both types of course have gained importance to an equal extent in the last few years, although the reasons for this increase in importance differ.

In the sales training courses the motivating effect is of foremost importance. The creation of a "feeling of solidarity" in the sense of an improvement to the working atmosphere, practical changes in dealing with customers and an increased integration into the new organizational structures (in the stores in the East) are examples of the desired effects of such training measures.

We have the impression that it is in this respect that the companies in the East and in the West, or rather the qualification requirements established for the East and for the West differ the most, namely: sales training, courses on motivation. The treatment of customers still plays a very important role in the retail trade in the new Federal states, as this is representative, in a way, for the new role the

retail trade, the individual shop assistant and the sale of goods now has to play. The new definition of the "role of the sales person" obviously means many difficulties in reorientation for the sales personnel, too.

Yet for the sales personnel in the Western Federal states, too, this type of continuing training measure not only serves to acquire new knowledge but also to brush up old knowledge, in order to draw conclusions for their practical behaviour in sales situations.

Particularly the stores and departments placing special emphasis on customer advisory services, attach special importance to the seminars on *merchandise knowledge*, run, for example, by the manufacturing companies in the form of seminars. Yet here, too, there are no generally valid criteria on the number and content of measures considered necessary and who is to participate in them. The duration of such seminars on merchandise knowledge is obviously not only geared to the contents, but also – as illustrated by the example of Interspar – to aspects of industrial psychology.

Seminars on *the handling of new technologies* (scanner cash desks, EDP seminars) take place everywhere where new technologies are implemented, particularly in the fields of cash desks, administration and stock-keeping, thus especially in connection with the introduction of merchandise information systems. The scope and timing of these conversions differ considerably from company to company. In our sample, it currently plays the largest role in the department stores (Hertie), and is likely to be introduced in company D in the near future.

Environmental protection, which is currently playing a relatively large role politically, and also concerning the retail trade, has not yet become a permanent component in continuing training in most of the companies interviewed; the only exception is the Co-op e.G., which has assumed a pioneering role in questions of environmental protection in the Federal Republic of Germany.

Finally, the discovery that *Europe* has not been an explicit topic of continuing training so far in any of the case studies also seems important in this connection. Regardless of the fact that the future European networking within the retail trade is practically taken for granted, obviously no training requirements for this have arisen so far. At most, the European context, the development of the Single European Market, plays a certain role on the executive level. In this context, the trend at SPAR, to create a better understanding and to build up contacts by means of exchange programmes with other European outlets, should be mentioned in particular. However, this

programme is still in its initial stage, such that no results are available so far.

6. Organization and methods of training

It can generally be stated that the departments and institutes in charge of training in the companies we interviewed are eager to translate into practice the discussions on new pedagogical approaches to initial vocational training and adult education. This includes abandoning the traditional teacher principle, i.e. of one-way communication in the courses; instead, these are replaced mainly by attempts to actively integrate the participants themselves into the learning process. Role plays and games have become an integral part, particularly in sales training, as this is the best way to simulate practical working life. This principle has been developed the furthest at the Co-op e.G., where the whole sales procedure can be tested realistically in the company's training academy by means of a simulated model of the work place (sales counters, cash desk systems). In this way, *learning at the work place* is systematized.

The attempt to try out the selling, the giving of advice and the cashing up outside the daily sales routine in this or in a similar way is also reflected in the training concepts of many other companies. However, no estimation may be made as to what percentage of employees in the retail trade has been systematically prepared and trained for the sales routine in this way. We would suppose that, for many employees, this is more likely to represent an integral component of initial training rather than a continual component of continuing training.

In the *trial of new methods*, among our sample the test at Hertie is particularly interesting: there are continual attempts to hold debates with all employees on a wide variety of subjects concerning relevant, topical deficits in knowledge and everyday problems. This is an attempt to stimulate the commitment and the willingness of the personnel to actively raise problems themselves which occur in the everyday sales routine, or in contact with the customers, or within the department, or even with the heads of the department and in the organization. Similar methods are also being practised in other companies (textile store K, but only in the Western outlet until now), to promote a continual debate with and among the personnel. The method depicted at Hertie is, however, innovative, in that the units are smaller and the range of topics is more manifold.

The *transferability* of these methods to other companies does not represent an obvious problem, in as much as they are not necessarily limited to the companies in which they are developed and practised. Thus, the Co-op e.G.,

for instance, offers its courses to participants from other companies, too, and designs them according to their particular realms of experience.

7. Scope and costs of continuing training. The development of in-house training in the German retail trade

If one considers the average figures given by the individual companies and stores on the participation of their employees in continuing training measures and the costs incurred within the company/store on training, it is striking that these figures – if available at all – vary very widely. This is, on the one hand, due to the fact that as yet it is not usual for any of the companies to make a statistical survey of these developments; in individual cases there will at most be attempts to record them with the help of EDP-controlled personnel development systems. The only exceptions are training institutes (such as the SPAR BIDS), which act as independent institutions and are thus able to calculate their costs independently and in fact are obliged to do so in offering their services to the retail traders. Yet the Co-op e.G. has an entirely different policy with its academy, the AfH, as far as the calculation of costs is concerned.

In those cases where the training departments are firmly integrated into the structure of the company, the type of accounting which would allow comparisons between the individual companies and stores is not possible, as the data which could be collected in each case are too different. In one case, for instance, only those seminars held externally are indicated in the financial figures, whereas in another case, only the general cost of the lecturers. Most companies do not list the costs of initial and continuing training separately. Each company has an individual solution to the question as to whether and how the wages of the participants should be calculated.

Finally, there is the basic, but extremely important problem of defining what can be called "continuing training", i.e. what events the calculation of costs (if any) refers to. Neither with regard to the contents nor to the scope of training measures are there generally valid provisions on which events count as continuing training or – to distinguish this term – as informative meetings, staff meetings, non-organized forms of learning at the working place and so on.

Thus, in our estimation, indications of the development of costs should be interpreted very carefully, even if figures are available. However, it has to be stated that expenditure on training has increased in the last few years, according to all the

companies surveyed. The survey conducted by the Hauptverband des deutschen Einzelhandels [HDE] on internal and external training has met with similar results (Malcher 1992).⁷⁶

As far as we know, there is no evaluation of the relation between the expenditure on training and its benefit for the company in the more narrow sense. Moreover, the question as to how much money the company and the individual outlets are willing to spend on training is posed in a more complex context: training "pays off" for those companies which consider it an investment in the motivation and the performance of their employees. Yet it is far from easy to calculate this on an individual basis.

However, this is also the reason why continuing training has been given a considerably higher status in the German retail trade over the last few years.

The State does not assume a prominent role in this development as the organization, structuring and financing of continuing training in Germany is almost exclusively the responsibility of the companies involved. Only in exceptional cases (such as the retraining of the unemployed) are public institutions involved. In practice, this currently affects, above all, some of the qualifying courses carried out in the East. Apart from this, a stronger financial participation or a regulation of this training sector on the part of public organs cannot be expected within the foreseeable future. The current governing coalition does not see a need for action in this matter.

Employers' associations, or – in the German retail trade – the HDE also wish to preserve the status quo, i.e. to leave continuing training mainly to private management.

The German trade unions, on the other hand, whose possibilities of co-determination have so far been limited mainly to the field of initial vocational training, demand more transparency and more influence on this sector. It is for this reason that over the last few years some German single-industry unions have begun to integrate their members' right to continuing training in the collective agreement, in order to prevent it being the sole responsibility of the employers.

Yet for the trade unions in the retail trade, the passing of such an "agreement on qualifications" is not yet on the agenda. Thus, the organs of co-determination within the company (staff committees) remain the main possibilities for exercising any influence.

⁷⁶ cf. the national report, item 6.

PART 3:

COMMENTS ON THE NATIONAL SECTOR STUDY "CONTINUING TRAINING IN RETAIL TRADE" - FEDERAL REPUBLIC OF GERMANY



1. **Handel, Banken und Versicherungen (HBV)**
[Union for Trade, Banking and Insurance]
2. **Deutsche Angestellten-Gewerkschaft Hamburg (DAG)**
[Trade Union of German Employees]
3. **Hauptverband des Deutschen Einzelhandels (HDE)**
[The Central Association of German Retail Traders]

"CONTINUING TRAINING IN THE RETAIL TRADE" - FEDERAL REPUBLIC OF GERMANY

3.

1. Handel, Banken und Versicherungen (HBV)

The trade union HBV considers this sector study "Continuing training in the retail trade" to be a realistic description of the aims and practices in continuing training within the German retail trade.

The individual case studies show this using examples, it must be pointed out that the selection of examples by no means allows a general statement on continuing training practices in the retail trade, a sector which is on the whole very heterogeneous.

From our point of view - and this is also supported by the research carried out by the Bundesinstitut für Berufsbildung, the Institut für Arbeitsmarkt- und Berufsforschung, as well as the Soziologisches Forschungsinstitut [Sociological Research Institute] - criticism needs to be levelled at the fact that continuing training efforts in the retail trade fall short of other service sectors as well as the demand for continuing training expressed by the employees.

It is particularly significant that, despite the high number of women in the employment structure, women show a disproportionately low participation in continuing training measures. Here, women usually have an occupational position which is inferior to that of men. The more inferior their occupational position, the lower their participation in vocational training measures. The trade union HBV believes that there is a huge backlog of demand.

If continuing training in the retail trade is to be orientated towards the interests of the employees, continuing training must largely be geared to the qualification of women and appropriate prerequisites, particularly for part-time employees, must be created.

The retail trade sector has indeed been making increasing efforts in the promotion of continuing training and has been enlarging its instruments in the development and the planning of manpower, but it is still only a certain circle of employees who have access to those measures which especially promote professional advancement, despite corporate advertising campaigns depicting the contrary, as very often a certain flexibility/mobility regarding the location is a prerequisite and/or it is not possible for part-time employees to rise in the hierarchy.

Similar confinements can be found concerning measures promoting the up-dating and the securing of qualifications, as they, for example,

- are still limited in the range on offer,
- are also very often only open to a selected group of people,

- are often held in the form of seminars lasting several days away from the place of residence, with no guarantee of child-care, etc.,
- also take place outside working hours, sometimes without remuneration or overtime compensation,
- "cannot" be attended, as from the superiors' point of view, the small staff size in the outlets/branches does not permit attendance.

Thus, from the point of view of the HBV, the following basic conditions should be observed and guaranteed in organizing and carrying out continuing training measures:

- all employees have a right to participate in continuing training measures within a clearly defined period of time (e.g. one week per calendar year);
- continuing training measures take place during working hours;
- the costs of training measures are borne by the employer;
- the participation in training measures must not cause any obligation for employees to uphold their contracts of employment or to repay any corresponding costs in the case of early termination of the contract;
- employees are free to decide whether or not they participate in training measures;
- the measures are to be conducted in a way which is orientated towards an educational objective, and which is geared to the requirements of adults, as well as to demand; here special consideration must be shown for the situation of employees who have children and/or who have not studied for some time;
- the selection and the qualification of the teaching staff must be appropriate to the group of participants;
- a certificate is to be issued upon each successful participation in a training measure;
- after the completion of a training course the employees must be given the opportunity to apply and to deepen their acquired knowledge and skills in the working process; if their work performance now has a "higher value", it must automatically entail a higher remuneration, or a rise in the wage groups fixed by collective bargaining agreements, independent of the internal rise in hierarchy.

Topics must comprise the following fields: product- and sales-related knowledge and skills, legal and

contractual knowledge, organization of work and industrial safety, communication, working styles and behaviour, new technologies, environmental protection, consumer protection.

Training measures should be conducted for the following target groups: sales personnel, sales personnel who have changed departments, those who re-enter professional life, newcomers to the trade, promotional measures to become a deputy departmental manager, promotional measures to become a head of department, administrative staff (delivery of goods, dispatching of stock, building safety, administration of material, personnel and accounting departments, telephone operators, etc.), employees in the confectionery department, butcher's department, fish department, in the garden and car centres, etc.

Furthermore, the in-house representations of interests (staff committees) must be allowed to participate more strongly in the following fields:

- selection of topics and subjects taught in continuing training measures,
- choice of training facilities (in-house facilities or external organizers),
- prerequisites and terms of participation,
- number and selection of participants,
- course and schedules of the training measures
- material expenditure necessary for carrying out the measures.

The staff committees should be consulted early enough about all training measures, so that at the beginning of each calendar year the complete corporate training programme is available to all employees. At the end of the respective calendar year, a training report is to be drawn up, which contains special indications on the type, number, duration, personnel and costs of training measures, as well as on the participants and the percentages of the individual occupational groups.

Gewerkschaft Handel, Banken und
Versicherungen (HBV)
[Union for Trade, Banking and Insurance]
Department of Training Policies
Albert Roszai
Düsseldorf, July 1992

2. Deutsche Angestellten-Gewerkschaft (DAG)

The DAG considers this sector study on continuing training in the retail trade, elaborated in the framework of the FORCE-Programme, to be a good and fundamental survey on the training situation in this economic sector.

In general, it is a good thing that, within the framework of European research projects, individual sectors in the EC member countries are surveyed and analyzed with regard to their educational activities, in particular the facilities and aims of continuing vocational training. Thus, this study represents an important milestone in the framework of an European educational policy.

From our point of view, continuing vocational training is an important demand in the German retail trade, which needs to be developed even further. Apart from the company-orientated training activities of the large-scale enterprises, many fields in this sector are hardly displaying any approaches to vocational continuing training, particularly in small and medium-sized enterprises. This represents another field that must be developed further in the future. It is laudable that these deficits are taken up and documented by the sector study.

Concerning the present training activities in the retail trade, criticism must be levelled at the fact that particularly in large-scale enterprises, in which a firmly established structure of continuing training activities already exists, this structure is too strongly bonded and geared to the company. This form of in-house continuing training hardly permits equal opportunities for the employees nor a further vocational development of the individual beyond the respective company level.

As regards special training courses in the sense of promotional training within this sector, there are at present two continuing training courses in Germany, that of a skilled retailer, according to § 46.1 of the Vocational Training Law, and that of a commercial assistant, according to § 46.2 of the Vocational Training Law. Both professions are officially recognized and are based on the initial vocational training course of a retail salesperson. From our point of view, both training courses should be structured. Thus, the skilled retailer is still orientated towards qualification to become an independent retail salesperson, which is generally hardly possible nowadays. Owing to the concentration in this economic sector, it may be assumed that most employees who wish to obtain further qualifications in their jobs remain gainfully employed after they have completed their promotional training. The commercial assistant, too, is not up to date any more as regards contents and should be revised.

We believe that retail traders must considerably intensify their efforts in the field of qualification.

This especially holds true for the sector of small enterprises. The basic formula of "staffing follows investment", modify the means of production first and then recruit the appropriate employees, is rarely a sensible solution from an economic point of view.

Therefore, the DAG advocates a regulation of continuing training in the collective bargaining agreements. In this context, it must be guaranteed that employees with lower levels of qualification receive special support and that women are equally entitled to participate in training courses. Regulations in the framework of a collective bargaining agreement should include the possibility for a limited absence from work, in order to participate in full-time courses at external training facilities. In so far as employees participate in courses outside working hours, a compensation in the form of time in lieu is to be granted.

On the company level, the qualification of employees must be given priority over all other measures concerning staff. Employment and social schemes have to take this priority into account, by exhausting all training opportunities in the case of restructuring in the company first, before staff are dismissed.

An empirical study conducted by the Bundesinstitut für Berufsbildung shows that the present structures of continuing training are characterized by a concentration of courses aimed at groups that are privileged anyway. Thus, approximately two thirds of all executives, but only 3 % of unskilled and semi-skilled employees, participated in training measures during the period under review. These results emphasize the necessity to improve the conditions for participation in training courses.

For continuing training on the job, the cooperation between companies and external institutions is of increasing importance. In view of increasing demands on the qualification of employees, labour and learning processes need to be more closely linked than has been the case so far. This demands both the external support of vocational continuing training as well as the support of the company itself for employees wishing to acquire further qualifications.

We are of the opinion that this sector study can create decisive approaches to the development of continuing vocational training in the retail trade. It will be important to analyze these approaches, both on the national and European level, and to translate them into practical paths of action.

Deutsche Angestellten-Gewerkschaft Hamburg,
[Trade Union of German Employees]
National Executive
- Department of Training Policy -
Jens Voigt
August 1992

3. Hauptverband des Deutschen Einzelhandels (HDE)

3.1 Preliminary remarks

The HDE has supported the sector study on the retail trade from the very beginning. It succeeded in finding companies for the case studies, it furnished numerous ideas for the interviews and particularly for the national report. Upon submission of the final report, we now discover that some of our ideas were taken into consideration, others were not, and unfortunately when it was merely a description of facts. Therefore, these items are taken up again in this comment.

Furthermore, we are of the opinion that the developments in employment, as well as in initial and continuing training in the retail trade would be easier to assess, if a comparison with the overall economic development was drawn more frequently. We will do this in our comment.

For the sector studies within the framework of the FORCE programme, the year 1990 has been chosen Europe-wide as the period of reference. This limitation excludes important new developments. The comment will deal with this item, too.

3.2 Remarks on the national report on the retail trade in the Federal Republic of Germany

The HDE agrees with the national report in parts. This concerns, in particular, the statements regarding a trend towards a higher qualification of staff, the success of a stronger differentiation in labour tasks regarding contents, and the increasing importance the retail trade is attaching to continuing training on the job.

However, in several points we have to disagree and also partly make corrections.

- The rate of increase of +9.4% between 1980 and 1991 in the number of employees in the retail trade represents a larger rise than in the economy as a whole. In 1991, the 1980 level of full-time employees was again exceeded, namely by 1.4%.
- The discovery that between 1980 and 1990, as well as in 1991, too, the volume of work remained largely unchanged, despite an increase in the number of employees, can not only be attributed to the rising percentage of part-time employment. During this period of time, the weekly number of working hours was reduced from 40 to 37.5. This reduction could not be compensated for by further new recruitment, because of the high percentage of personnel costs in turnover and the low yields in the retail trade. Furthermore, attention must be paid to the fact that the volume of work in the

overall economy decreased by a good 2% between 1980 and 1990.

- We have no figures confirming the alleged increase in the number of employees not liable to social security contributions nor that such a trend will continue in the future. On the contrary: the survey quoted in the report provides no empirical basis for these statements. A survey of the Deutschen Handelsinstitut (DHI), which was not mentioned in the report, showed that, especially in city centre department stores and in most shops within the specialist trade concentrating on customer advice, a trend towards reducing the number of these contracts can be observed. The study carried out by Friederich mentioned in the report shows that the percentage of employees who are not liable to social security amounts to 8% in trade (including wholesale and foreign trade and trade mediation) and is thus lower than the average for the economy as a whole (9%). Moreover, the microcensus of 1990 leads us to believe that previous research far overestimated the level of this type of employment – by approx. 100% – or that the number of employees who are not liable to social security halved within a very short period of time. According to the microcensus, only 4% of the overall labour force held such employment contracts. The percentage of these employees in trade amounted to 6%. Specific data for the retail trade are not available on the basis of the microcensus, so that the statement made in the report that the percentage in the retail trade may well be higher, must be dismissed as pure speculation.

Two points which are not mentioned in the report are of special importance for the assessment of employees exempted from social security contributions. On the one hand, they are indispensable for the retail trade companies in coping with non-foreseeable peaks, as well as with seasonal peaks (for instance, end-of-season sales, the Christmas season). On the other hand – as the 1990 microcensus shows – in most cases the contract of employment for employees who are not liable to social security corresponds to their expectations and to the amount of time they can spare, since only 7% indicated that they were looking for another job. Furthermore, it must be taken into account that such employment normally does not figure predominantly in guaranteeing the livelihood of the individual, as it mainly supplements other sources of income and social security, too, is mainly guaranteed in other ways. Therefore, we reject the use of the term "unsecured employments".

- The report is right to establish that in the retail trade women are under-represented in executive positions. However, if the results of empirical surveys (above all, the study published by the Institut für Arbeitsmarkt- und Berufsforschung – IAB – as early as the beginning of 1992 "Are Women the Innovative Potential of the Future?") are

consulted, it must be maintained that female executives are mostly to be found in the service sector, particularly in the retail trade (e.g. department stores and foodstuff supermarkets). Furthermore, this survey conducted by the IAB showed that, much more than other sectors in the economy, the retail trade assumes a disproportionate increase in the number of female executives in the future. According to the IAB study, the most important reason why the percentage of women in executive positions is not already higher, is that no suitable women applied for the corresponding positions, so that they had to be filled by men. The report should have pointed this out, as this would at least have qualified the statement that there was "a clear discrimination against women".

- We must criticize the choice of words in some parts of the report. Formulations such as "female employees, who ... are often enlisted to carry out simple tasks", "it is the companies' sole responsibility to decide on ... the selection criteria applied to those employees who are allowed to participate in continuing training" and "in so far as companies regard training measures ... as being necessary" distort the decision-making processes and the reality within the companies. The statement that in-house training is largely outside State control fails to recognize that it is a conscious political decision to have decisions on continuing training taken at the place where they can be taken best. In the case of in-house training this place is the company.

- From our point of view, the term "polarization" is used in the wrong context.

- We would like to supplement the statements on working hours as follows. It is true, the long daily absence from home does indeed represent a problem for those women who want to combine a family and a career. On the other hand, weekly operating hours of 55 to up to nearly 70 hours and an average number of working hours of 37.5 for full-time employees result in relatively long blocks of leisure time. Many outlets have already introduced the four-day week for their employees. The increase in capacity-oriented, flexible working hours can not only be attributed to the improved technical facilities, enabling a more consistent planning of the assignment of personnel. It is rather a result of the short and long frequency fluctuations in the number of customers. In order to keep the work load per employee relatively stable, a flexible assignment of personnel is necessary in many cases. From the company's and the employees' points of view, the aspects of productivity and job satisfaction also have to be considered. In this connection, the Deutsche Handelsinstitut has recognized that the general tendency is towards more flexible working hours with considerably longer periods of notice and a higher targeted efficiency per hour. However, the so-called "work

on call" - i.e., part-time employees, who are assigned at short-notice - plays a subordinate role in the retail trade.

- The development of the demand for corporate training places is not described correctly in the report, as the focus is only on those applicants recorded by the Bundesanstalt für Arbeit. However, as many young people look for a training place without the support of the employment office, the actual demand is higher. Incidentally, the Berufsbildungsförderungsgesetz [Act on the promotion of vocational training] provides a legal definition of the overall supply and demand. In 1984 the overall demand reached an all-time high of 764,078, and decreased relatively steadily to 551,457 until 1991; this may be seen in the Berufsbildungsberichten (reports on vocational training) that are published annually by the Federal government.

- The high degree of concentration on the year of reference 1990 neglects essential results, especially in the development of new training contracts. In the former territory of the Federal Republic of Germany, the overall number of new training contracts decreased by approx. 11% between 1988 and 1991. In the profession of a retail salesperson, which was amended in 1987, the number of new training contracts remained largely unchanged over this period of time, with the exception of 1989. This shows the relatively high attractiveness of this profession among young people; the theory of a comparatively bad image is thus refuted. A marked decline in the number of new training contracts could only be observed in the two other sales professions of a shop assistant and a shop assistant in the food sector.

- There are no such special regulations on access to the dual training system, as the report implies. The main advantage of the dual system is that it is open to all young people who wish to complete vocational training. We do not share the theory of a destructive competition to the detriment of those having left a Hauptschule. Nor is this confirmed by the developments depicted in the report. These developments only show that the structure of applicants for corporate vocational training has by and large been adjusted to the structure of those leaving the general educational system.

- The statement that there is a uniform curriculum on vocational training for the whole of Germany and that the curricula for technical colleges are elaborated by each state individually does not represent the complete picture. The report fails to mention that the curricula are coordinated with a skeleton curriculum elaborated by the Kultusministerkonferenz (KMK) [meeting of ministries of education and arts] at a national level, in order to reach some degree of uniformity in the overall training demands. The Federal

states' curricula are based on this KMK skeleton curriculum. It is very often accepted by the Federal states. The report also fails to mention that the curricula set minimum requirements on in-house training, as they are open to new technological and organizational developments. The companies are also free to offer further qualifications. It may be theoretically correct that the contract of vocational training may be freely structured within the scope of the requirements set by the Vocational Training Law; however, in reality, sample contracts prepared by the relevant authorities are used which are modelled closely on the Vocational Training Law. The conducting of vocational training was not transferred to the relevant authorities (this takes place within the companies); according to §45 of the Vocational Training Law, the relevant authorities rather have the particular task of supervising the carrying out of vocational training and to promote this by advising the apprentices.

- Among the most important special training courses for "Abiturienten" is the regulation for continuing training in the profession of a skilled retailer (§46, sec. 1 Vocational Training Law), which can only be offered in Bavaria, in a form similar to the training to become a commercial assistant – the training course of a retail salesperson is reduced to 1½ to 2 years, the examination is conducted according to the *Ausbildereignungsverordnung* [trainers' aptitude regulation] and this is followed by the preparation for the examination in continuing training held after a further year.

- The depiction of in-house training lacks the data available for the retail trade. This is especially regrettable, as in the retail trade, too, it is the outlets which are responsible for and conduct the largest part of continuing training. Therefore, we will supplement the report with the following data. An HDE projection of the results of a representative survey among businesses conducted by the Institut der deutschen Wirtschaft (IW) on the costs and structures of in-house continuing training in the retail trade showed that retail trade companies held about 28.3 million hours of continuing training in 1987. The companies incurred costs of continuing training amounting to DM 2.6 billion, which corresponds to about 5% of the gross pay roll. As this projection, like the survey conducted by the IW, only focuses on employees who are liable to social security, and does not consider the high number of self-employed in the retail trade, the actual results of continuing training in the retail trade are even higher. Also in comparison with other sectors, trade (including wholesale and foreign trade and trade mediation) emerges favourably. Among other things, the IW study showed:

parison to 17.3 hours on average in the economy as a whole, and 26.4 hours in the service sector);

- In 1987 the costs of continuing training calculated per employee amounted to DM 2,061 in trade (compared to DM 1,771 on average in the economy overall and to DM 2,605 in the service sector).

Incidentally, the HDE is of the opinion that it is not the absence of a "valid basis of calculation" that complicates the calculation of the costs of continuing training, but above all

- the considerable amount of work involved in recording all the costs of formalized training courses, including the continuation of wages, for each individual participant;
- the even larger problems in recording continuing training at the work place (amount of time and costs) which – as many surveys show – have a much higher significance for the acquisition of qualifications than participation in seminars, courses and in other formalized forms of continuing training.

3.3 Comment on the summary

Continuing training in the retail trade is still gaining in importance, after already starting out from a high level. The introduction of merchandise information systems and new concepts of logistics, the increasing demands made of the company management, the increasing demand for executives and the traditionally high significance of qualified advice to customers – recently captured in the catch-phrase "professionalization of sale" – are the most important reasons. Moreover, the restructuring of trade in the new Federal states continues to demand considerable training efforts on the part of companies and the training facilities belonging to the trade. Continuing training is increasingly becoming a strategic factor in the success of the company. Continuing training must not be reduced by definition to mean the participation in seminars and courses; learning by doing, at the work place, is much more important for the acquisition of the necessary professional skills and key qualifications.

This is also shown by the results of the case studies. However, the case studies do not represent the more training-intensive end of the spectrum, as the summary would maintain. Since numerous other retail trade companies are also exemplary in the qualification of their staff, they are, regardless of the results concerning continuing training in the retail trade provided by the case studies, no more than a non-representative excerpt from the continuously increasing training-intensive sector of the retail trade.

- 22.1 hours of continuing training per employee were conducted in trade in 1987 (in com-

From the HDE's point of view, it is not sufficient to answer the question whether a company systematically plans and carries out continuing training by pointing to special training departments and documented training programmes. It is at least of tantamount importance that the company, especially the management, the board and the executives, attach major importance to the qualification of staff. Furthermore, they should always bear in mind that if problems in the outlet occur, e.g. in the execution of tasks or in the work routine, a further qualification of staff may be a useful strategy to solve these problems, and as soon as this proves to be the case, they must offer, permit and implement this. The HDE is of the opinion that companies should consider this basic idea even more frequently. Therefore, executives are a very important target group for training. "Directly verifiable criteria in the training sector as to how many and which measures have to be considered as 'necessary' in the individual case" – according to the summary – are neither useful nor feasible. They could not assist business executives in the decision-making process. This also applies to the corresponding statements in the summary regarding the participation in training courses organized by manufacturers.

An indispensable prerequisite for successful corporate achievements in the field of training is, above all, that the employees themselves show sufficient readiness to participate in training courses. The HDE is of the opinion that it is self-evident for all employees to take care of their own further qualifications. After all, it is the employees who benefit the most, and only secondarily the company.

As the superiors and/or executives have to guarantee a smooth work routine, it is natural that enrolment for training courses has to be via the superior. Training courses must fit into the work routine. We cannot understand why the summary regrets that employees do not have a legally enforceable right to participate in training courses. On the contrary: a legally enforceable right to continuing training would endanger the demand-orientated organization of training and burden the companies with completely superfluous costs. Employees who wish, of their own accord, to acquire additional qualifications in fields that are hardly related to their professional activities have to do this in their spare time. The HDE completely rejects regulations on educational leave or a stipulation in the collective bargaining agreements on the right to paid leave from work for training purposes.

The summary puts forward the theory that there is usually no systematic determination of training demands. But it does not say what is understood by this. Yet when two examples of the systematic determination of training demands are given, this theory does not seem to correctly reflect reality.

The summary complains that both the survey on the training on offer and the participation in training courses were "by no means on a par". In-house continuing training needs to be strictly orientated towards the qualification requirements of the company, if the knowledge acquired is to be successfully applied in practice. Moreover, it must not be forgotten that continuing training costs a lot of money. Investments in training, just as investments in material goods, have to pay off for the company. And in carrying out training courses it must be ensured that the target of the training measures is reached with as little effort as possible. Therefore, training courses are conducted above all where work tasks are changing, or are not carried out correctly and where there are new qualification requirements. This is the decisive factor behind different training quotas depending on the employee group, which anyway are calculated on the basis of very few forms of continuing training (courses, seminars, etc.), but which neglect learning at the work place. Therefore the HDE clearly rejects the envisaged introduction of the same training quotas for the different groups of employees.

It is true to say that part-time employees are not trained so intensively in seminars and courses as are full-time employees, although their tasks, too, frequently change. However, it remains doubtful whether this will also hold true if those forms of training related to the work place are also taken into consideration. In any case, given the high percentage of part-time employees, it is important to publicize tested forms of training more widely, as they are depicted in some of the case studies, too, in order to encourage other companies to follow their example. Furthermore, there should be further checking of the possibilities allowing a combination of part-time employment and executive positions.

Research carried out by the Institut für Arbeitsmarkt- und Berufsforschung and the SOFI-Institut shows that the number of women in executive positions is already high in places, but that in any case a marked increase is to be expected in the future. This is more a task for corporate personnel policy on the whole than for continuing training alone. Yet from the HDE's point of view, it is still unclear whether special works agreements are useful or necessary in order to reach this aim. This can only be decided by each individual company.

We would like to add to the chapter "organization and methods of training" that professional associations, in particular, offer those companies affiliated to them a number of training courses which are highly accepted. We consider methods such as role plays and games or models simulating the work place, which closely recreate practical every-day activities, as particularly important in initial and continuing training in preparation for

the actual vocational task. In this way, learning on the whole becomes more systematic, but not – as the summary maintains – learning at the work place, since it is these very methods which move learning away from the work place.

As early as item 13 in the annotations on the national report, we depicted the extent training efforts in the retail trade have reached in the meantime. The methods of recording the costs of training courses vary considerably from company to company. However, this cannot be attributed to the absence of generally applicable regulations, but to the fact that it is very difficult and labour-intensive to record all the activities in vocational training. As we understand it, this includes all learning processes which are designed to maintain, improve, increase or develop skills. Empirical studies, as were conducted by the Bundesinstitut für Berufsbildung, for instance, show that learning by doing represents a very decisive part of vocational training.

The HDE criticizes that its own position on continuing training was presented in an extremely shortened way in the summary, although a proposal for alterations was submitted, which did not even exceed the length of the description of the trade union's position. Therefore, we would like to include this text here: The HDE, like the other employers' associations, considers the present designation of responsibilities among the companies, employees and the Bundesanstalt für Arbeit in matters of continuing training as a solid basis for the necessary further increase in the volume of training. State regulation or co-ordination and the right to training stipulated in collective bargaining agreements would hinder the necessary flexibility and dynamics of training and promote a dangerous paralysis.

3.4 Conclusions from the HDE's point of view

In spite of the statements criticised, the HDE considers the sector study as a good basis for the exchange of experiences between companies on the national and – as soon as the final report of the central research team has been submitted – on the international level, too. Examples of good work in the field of training on the company level will be publicized. These should be discussed intensively and distributed on a wider scale. The HDE would appreciate it if the EC commission could transpose these examples into practical business by publishing the sector study, including the comments of the social partners, as well as by promoting courses, in order to contribute to the further development of continuing training. From the HDE's point of view, this is the most important practical task following the sector study.

From the HDE's point of view, this sector study is not suitable for substantiating political planning on a national or international level. The current high level of training within companies and the confident expectation that companies will increase their training offers of their own accord in order to increase their efficiency and to survive on the market, forbid any thoughts of regulating access to training measures. The fact that at a level beyond the individual outlet not all details of training measures are known, cannot serve as an argument in favour of comprehensive and detailed statistics on the extent of training the companies offer. The amount of work this would involve would keep the companies from the far more important task of providing good training courses for their employees.

Hauptverband des
Deutschen Einzelhandels (HDE)
[The Central Association of
German Retail Traders]
Wilfried Malcher
July 1992

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